THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 14, 1942 | 10c a Copy: $5.00 a Year | No. 7

Be Sure to Read

Marshalling Loan Forces . 4
Synthetic Rubber Facts . 7
New Plan for Prospecting 19

The Nation's Business

By-Elections Endorse Broadening Cabinet

Election of Hon. Humphrey Mitchell and Hon. Louis St. Laurent should encourage Prime Minister King in the further strengthening of his war cabinet.

Neither of these able men was active in politics before Mr. King so wisely and shrewdly invited them to join him. Both were chosen, it would seem, because the Prime Minister regarded them as especially fitted to make a contribution in directing of Canada's wartime affairs. Both were strongly opposed in their campaigns but in both cases the voters endorsed Mr. King's selections. In doing so they approved his action in going outside of the House and the narrow party formations to choose wartime cabinet ministers.

Thus encouraged, the Prime Minister should go much further. He should invite into his cabinet more representative men of ability and experience, capable of assuming key duties in the affairs of the nation.

* * *

In such perilous days, party government on peacetime lines is foolish, short-sighted and dangerous.

Canada needs what Sir Robert Holland called in Toronto this week a feeling of "alarmed urgency." Such a feeling does not exist. Lieut.-Gen. McNaughton sees that. He detects "some little complacency in what has been done."

This is, in very truth, a life and death struggle; life or death for this nation as for other free nations. Victory is by no means certain. Only the ignorant and gullible reader of overoptimistic headlines thinks it is beyond the bounds of possibility that we could lose this war. We COULD lose it. Our security—and that of all the United Nations—is in the deadliest peril.

The danger is so great, our possible ultimate margin of strength so slender, that we cannot be sure of victory without the most complete exertions in terms of work and sacrifice; something even more than "the grand achievement" (Gen. McNaughton's own phrase) we have attained, but concerning which we are as a nation so complacently satisfied.

Mr. King has himself set forth the grand demands upon us:

> "There is only one way to meet total war and that is by total effort not for a day, or a week, or a month, but every day until victory is won."

* * *

There was not much in the four by-election campaigns to suggest that the country as a whole realizes the kind of fight we have on our hands. Personal abuse and unrealistic side-issues dominated much of the controversy and Mr. King's own ministers spoke on several platforms in favor of policies of less than "total effort."

Despite the unrealism of the campaigns, the two ridings endorsed Mr. King's first two moves toward a more representative war cabinet. He should move without delay to the completion of his task.

Canada needs a national government to win the war; a fighting government in which all loyal groups are represented; a government selected primarily to the end of bringing into the direction of the war the strongest men and women in the nation. And one test that should be put to each member of such a government is whether or not he really stands for "total effort, not for a day . . . but every day until victory is won."

* * *

THE PLEBISCITE IS NOT TOTAL EFFORT

Equally important is it to get on with a realistic plan for the effective organization of manpower. Instead of such a plan to unite Canada for a "total effort . . . until victory is won," the government has tossed the country a bone of controversy. That bone is the plebiscite, which will delay our all-out war plans for weeks, and consume the entire proceeds from the sale of between 40,000 and 60,000 $50 Victory bonds to the workers of Canada.

The plebiscite is dividing Canada when it should be united. It has aroused stale controversies and widened the fissures in Confederation.

English-speaking Canada thinks of it as an effort to avoid direct governmental leadership in full mobilization of our human resources for service wherever they may be needed. Even the government's most faithful admirer, the Winnipeg Free Press, speaks of it as an "unheroic expedient."

* * *

French-speaking Canada thinks the plebiscite is an effort to sneak up on Quebec with conscription for overseas service.

If Quebec today opposes conscription one major reason is that the government has encouraged Quebec to oppose conscription. A second major reason is that a large proportion of the people of Quebec are not yet fully convinced that this is a war in which the interests of the people of French-speaking as well as English-speaking Canada are imperilled.

It is essential that the need for unreserved compulsory selective service—for going out to meet the enemy before we are ourselves attacked—be sold to the people of Quebec.

* * *

The Financial Post believes that Quebec as well as the rest of Canada would follow the Prime Minister as far as he wants to go, once the facts are laid upon the table. Let Mr. King say that in his opinion the government must have full powers to delegate to each citizen the job he should be doing, here and abroad, to help win victory. Let him give such leadership and Canada will respond, as it has responded to every other act of leadership in our war effort.

But such an "unheroic expedient" as the plebiscite represents the very negation of leadership. When realism and courage are lacking at the top, in this matter of compulsory selective service, it is not surprising that Quebec should be following more vigorous—if mistaken leaders; the ultra-nationalists, the isolationists and the apostles of little Canadianism.

* * *

THE MEANING OF MR. MEIGHEN'S DEFEAT

There will be conflicting interpretations of the results in South York where a former Prime Minister, one of Canada's most brilliant political leaders and an able administrator, was defeated by a hitherto unknown C.C.F. candidate.

Most of the interpretations will be wrong because there were a dozen factors influencing the result. One was the fact that the campaign was mean and foul in misrepresentation and personal abuse, chiefly inspired by the underground work of the outlawed Communist party. A second factor was resentment among Liberals that Premier Hepburn and Col. George Drew had sought to defeat Hon. Humphrey Mitchell in another riding. A third was resentment among many Conservatives not so much against the selection of Mr. Meighen as party leader but at the manner in which he was presented as a "cut and dried" choice to the party.

As both candidates stood for "total war," each according to his own definition, the result cannot be interpreted as an expression of opinion on the character of our war effort.

The by-election unquestionably provided evidence of the rising strength of the Socialist party in Canada. To that extent the result is a portent but in view of the extraneous issues in the campaign even that indication of a trend is not decisive.

* * *

Mr. King's enthusiasm for Mr. Meighen's defeat is disturbing. Surely a trained parliamentarian, who would add strength to His Majesty's Loyal Opposition, would have been helpful in promoting Mr. King's ideal of "total war not for a day . . . but every day until victory is won."

Quiz Farms On Labor Problem

Ottawa Will Question 30,000 Farmers to Help Formulate 1942 Policies

By STAFF WRITER

OTTAWA.—The Dominion government starts this week a quiz hunt which will give in three months (it is hoped) a factual size-up of the 1942 farm labor shortage.

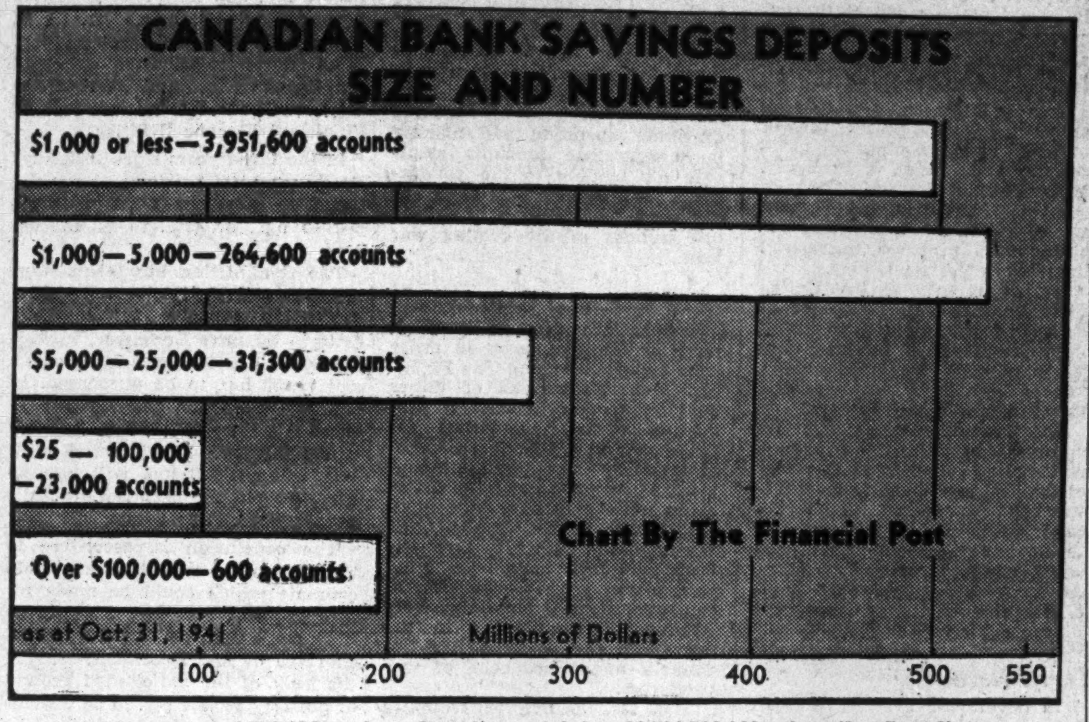
Some 30,000 questionnaires are being mailed to Canadian farmers—one of each twenty-fifth rural dweller. These will seek news and facts about labor requirements, labor turnover, labor-saving equipment and the general labor situation now and as it has been in the past two years.

A similar but much more comprehensive survey is nearing completion in Ontario. The provincial Department of Agriculture is attempting to visit each one of Ontario's 190,000 farms to find out exactly what the labor situation is. In order to get uniformity in the federal sample Ottawa's questionnaire will still go out across Ontario, but will be delayed a week or two to let the provincial quizmen finish their job.

Until returns are completed, Dominion officials are loath to express an opinion on the extent and nature of the shortage or to hazard a guess as to just how far Canada's production of war-vital foodstuffs is threatened by lack of man power. They admit that the greatest problem is on the big farms—300 acres or over—which comprise about 25% of total farms in Canada and which required in the census year, 1931, anywhere from 10 to 34 weeks of hired labor each year. The smaller farms, operated largely by family workers' can more easily scrape along—even though it means longer hours for everyone.

One encouraging feature is the amount of labor-saving machinery which has been bought in the past two years.

Main Source of Victory Loans



There were 4,250,400 savings deposits containing $1,591,700,000 when the Canadian banks reported a breakdown to the Minister of Finance as of Oct. 31. In demand deposits (not shown here) there were 704,800 accounts for total amount of $1,135,500,000. From these accounts will come much of the $600 millions required for this Victory Loan.

No Newsprint Subsidy Coming

By STAFF WRITER

OTTAWA.—There is no likelihood of a subsidy being paid to Canadian newsprint users so as to permit a higher domestic price to be charged in Canada, The Financial Post is informed.

Current negotiations between the WPTB and the U. S. Office of Price Administration are said to be purely with a view to determining the reasonableness of the $3 per ton increase on export prices announced for the second quarter of 1942.

There have been objections raised in the U. S. about any further widening of the present breach spread between Canadian and U. S. prices This involved discussions with the U. S. pricing authorities. An initial meeting between the two authorities took place in New York Jan. 29.

Rice Subsidy May Cost $2 Millions Yearly

English China Also to Rate Subsidy From Prices and Trade Board — Few Applications So Far

By STAFF WRITER

OTTAWA.—English china will continue under the price ceiling and will be subsidized by the Wartime Prices and Trade Board through its Commodity Prices Stabilization Board, The Financial Post is informed.

A subsidy will also be paid on imports of rice to maintain the retail selling price within the ceiling.

Amount of the rice subsidy will be far greater than the present cost of subsidizing china although value of imports of the latter normally far exceed Canada's modest requirements of rice. The rice subsidy may reach as high as $2 millions a year because of 3 cents per pound increase in price since the introduction of the ceiling.

Cost of the china subsidy is not immediately ascertainable. Laid down china prices have risen about 65% on average since the outbreak of war, but only a small part of this has occurred since the price ceiling came into effect. Within the past few days there has been an increase of 10% announced. Prior to that, most importers had been absorbing a considerable part of the rising cost. It is expected W.P.T.B. will be responsible for payment.

On the assumption that the value of importations in 1941 totalled something in the neighborhood of $4 millions, a subsidy which met the recent 10% increase in price would cost the government possibly $400.000.

So far there have been only a handful of applications for subsidy from individual importers, apart from requests for special treatment on the part of large groups such as in cotton, leather hides, etc.

In regard to rice, Canada's imports in the last year suggest the subsidy payment on this item from the public treasury might total $2 millions.

Compromise For Int. Utilities

Step toward submission of a recapitalization plan for International Utilities Corp. to the S.E.C. has been taken through a compromise arranged between various stockholders' groups. This has taken the form of a rearrangement of the board of directors whereby representatives of the independent stockholders' committee have become members of the board.

The new members are William B. Milner, Wendell E. Warner and T. S. Watson. Mr. Watson also has been elected chairman of the board of Dominion Gas & Electric Co., a subsidiary of International Utilities. It is believed the compromise will end litigation over holding of an extraordinary meeting of stockholders.

Food Contracts With U.K. "Strictly Commercial"

By STAFF WRITER

OTTAWA.—Future contracts for foodstuffs and war munitions sold to Great Britain will be on a strictly "commercial" price basis The Financial Post is informed.

That is, Britain will be charged with whatever price is deemed commercially necessary to obtain the required amount of produce. This "charge" will, of course, be paid entirely by Canada as part of her "billion dollar" gift.

A press story stated to be from "official" sources and indicating that Britain would receive her foodstuffs in future at 25% below what she would have paid had not the billion dollar gift plan been finalized, is without foundation.

In respect to foodstuffs, it is expected future contracts will follow the pattern of the present bacon contract negotiated last fall in anticipation of some such deal as was recently announced between Canada and the U.K.

The bacon contract was negotiated at 100 shillings—the price which Canada felt she would have to pay to ensure the amount of bacon required. Previous contracts had been for 80 and 85 shillings, a price much below what Canada was currently paying to farmers for export hogs.

Under these circumstances it seems likely that bonus payments to Canadian producers will in most cases disappear.

Stedman Net About $3.10

Extra Dividend Halved Due to 1942 Uncertainties

Stedman Bros. Ltd. had materially improved operations in all departments during 1941, The Financial Post is informed, with the result that net profit after increased taxes will be in the neighborhood of $3.10 a common share. In 1940 net was $2.85 a share.

An extra dividend of 30 cents per share along with the regular quarterly common payment of 15 cents, has been declared payable Apr. 1 to record Mar. 20. A year ago an extra of 60 cents was paid.

The extra was halved due to a number of uncertainties in the outlook although 1941 profits covered the payment by a substantial margin. Officials are hopeful that conditions will have cleared sufficiently to allow payment of the other 30 cents before the year-end, possibly in July.

Four conditions brought the decision to conserve the liquid position.

(1) The question of what profit will be possible under price ceiling rulings.

(2) Possibility of merchandise being short owing to the inability of some manufacturers to deliver under the ceiling price.

(3) Possibility of priority shortages and

(4) Effect of the cost-of-living bonus.

Quebec Okays 'Continental' Conscription

But Still Lightly Rates Peril From Overseas

By STAFF WRITER

MONTREAL.—There is no objection—in any responsible quarter in Quebec province—to "conscription" for the defense of North America.

This statement was made to The Financial Post by several representative spokesmen of French Canada—editors, priests, politicians—who between them reflect the views of practically every group among the French-speaking people of this province except the ultra-nationalists and ultra-isolationists.

French-Canada recognizes, all of them stated, that there must be, in any scheme of joint defense of North America, complete freedom to move Canadian and American soldiers anywhere upon this continent. "This continent" is taken to embrace Labrador and Newfoundland. No one of those interviewed specifically excluded Greenland, Iceland, or the West Indies, although some "hedged" on a direct answer.

All expressed strong and stubborn opposition to compulsory selection of men for military service "overseas." There was some difference of opinion as to whether or not Quebec would continue its opposition if the government introduced "conscription pour outre-mer" on the insistence of the majority of the people in Canada. There were those whose attitude was "never, never, never," and a few who felt that French-Canada would fall in line—however unwillingly—rather than see a repetition of the disunity of 1917.

Shadow of '17

One thing seems certain: The plebiscite will solve nothing so far as Quebec province and conscription are concerned.

French-speaking Canada's opposition to conscription for overseas service is partially emotional and psychological. Memories of 1917's "mismanagement" of compulsory military service have much to do with the present obstinate determination of most of Quebec's people to oppose conscription to the bitter end.

That opposition may seem utterly illogical to the English-speaking Canadian. As he surveys Quebec's war effort he sees that the province has marched side by side with the other provinces in every measure of sacrifice and effort yet asked of the people of Canada. Quebec is producing food and munitions in abundance. It is paying its war taxes unwhimperingly. It has not—until recently at least—opposed the sending of Canadian troops overseas, so long as they were voluntarily enlisted for the purpose. It has contributed many men to all three branches of the fighting forces.

"Is It Really Canada's War?"

But strong as are the emotional and psychological factors in the present heated conscription controversy they do not tell the whole story. There is an even more important factor in Quebec's opposition to conscription, one that is perhaps not fully recognized elsewhere in Canada.

It is the fact that a large proportion of the people of this province have yet to be convinced—as almost all English-speaking Canadians are convinced—that this war is one in which the vital interests of Canada are positively and definitely challenged.

Cardinal Villeneuve, Premier Godbout and the late Ernest Lapointe sought to convince the people of Quebec that this was a war in which the challenge to Canada was as direct and as clear as the challenge to Great Britain or any other democratic nation in the world.

Mr. Lapointe repeated over and over again his idea that this was Canada's war. He said "We are not proposing to wait for the German executioners to come to us before we settle our accounts with these enemies of our country."

No Lack of Leadership

Cardinal Villeneuve said: "We have not the right to wash our hands of what is happening in the rest of the world. . . . Our civilization, our religion and all that is dear to us are at stake. . . ."

Premier Godbout said: "My people will not only match every sacrifice others undertake but we shall willingly and gladly undertake even greater tasks, and be willing to endure even greater sacrifices than the English-speaking people, simply because we have even more at stake."

Powerful leadership was given by these three great French-speaking Canadians. Not all of Quebec responded. Not all of Qubeec sees the issues in this war as the people of Britain, the United States and English-speaking Canada see them.

Is Canada in Peril?

The one thing that French-Canada wants to know is this: is Canada in danger?

There is little left of the view, earlier expressed by some groups in French-Canada, that this was just a war of rival Imperialisms with only a shade of difference between the two combatting sides. But there is a very widely held view that since Canada has not been directly attacked, and since there is no evidence that we are going to be attacked, there is no need for us to go out to meet the Germans, the Italians and the Japanese in "far away" lands.

One might have expected Pearl Harbor and the growth of the war to two-ocean proportions to modify the views of French-Canadians. Should it not have brought a realization that the war IS a vital, positive challenge to Canada?

Strong Defensive Sentiment

Pearl Harbor did have a powerful influence on Quebec but what it did was to strengthen isolationist sentiment. It gave rise to the view, forcibly expressed in many Quebec newspapers, that since we now have enemies facing on two coasts, it is important that more of our fighting men be retained in Canada—or elsewhere in North America—where they may defend us.

The view generally held in English-speaking Canada, that it is better to fight the enemy in "someone else's backyard," and to contribute to his defeat before Canada is itself attacked, is not widely accepted in this province. The average farmer and workman

(Continued on page 2, col. 3)

Conscript Wealth Gesture is Seen

See Likelihood Premier Will Use it Before Conscripting for Overseas Service — Victory Loan Result Vital

By STAFF WRITER

OTTAWA.—There is growing belief that Prime Minister King will make no further commitment toward conscription for overseas service without an accompanying and, possibly, a sweeping gesture toward the wartime political cry for "conscription of wealth."

Just what the gesture will be or precisely what form this will take is not yet clear. That something will be done, if only by way of putting a political top-dressing on the forthcoming budget, seems highly probable.

Much will depend, unquestionably, on the outcome of the forthcoming Victory Loan. If the loan falls short of needs or expectations, it will raise immediately the question of some form of compulsory saving.

In that event there would have to be a radical revision of the whole fiscal programme with the words "compulsion" and "conscription" being used more or less synonymously in respect of wealth and income. The government would make a virtue out of necessity and switch the emphasis of the present fiscal approach.

"Amen" to Ilsley, but—

At heart, Prime Minister King still believes in the voluntary system. He would offer a loud "amen" to the doctrine enunciated recently by Hon. J. L. Ilsley when he discussed reasons why the government had turned down the proposal for compulsory savings. Said Mr. Ilsley:

> "They (compulsory savings) are of secondary importance and cannot take the place of a vigorous and thorough application of the voluntary principle."

Yet in this same speech, Mr. Ilsley made it quite clear that the government, if it deemed necessary, would not hesitate to extend its controls over profits and dividends if deemed in the national interest. Specifically he said:

> "'If it becomes evident that some further measures to limit either dividends or profits are necessary in the national interest, I am sure the government will not hesitate to act."

A few days later, the government's number one economic adviser, Dr. W. A. Mackintosh indicated at Montreal that compulsory savings could not be rejected "out of hand," and that while the gov-

(Continued on page 2, col. 7)

T. C. A. Lays Plans For Nfld. Service

MONTREAL. — Trans-Canada Air Lines plans to establish daily air service between Canada and Newfoundland by April.

According to reported plans, it is proposed to operate a round trip service daily except Sunday. Planes will leave the main T.C.A. line at Moncton and fly to the Torbay airport near St. John's, Nfld., with stops en route at Sydney, N.S., and Gander, Nfld.

Representatives of Trans-Canada Air Lines and of the Canadian government have been conferring with Newfoundland government officials on the proposed extension of the T.C.A. service.

Seek To Change Rates On Stock Commissions

Members of the Toronto Stock Exchange, Montreal Stock Exchange and Montreal Curb Market are currently considering a change in their by-laws whereby commission rates on stocks traded in certain price brackets would be increased.

In January, 1940, commission rates on mining stocks selling up to $2 a share and on industrial stocks up to $10 and over $75 were increased. A revision in other brackets is now felt necessary by the brokers to increase revenue in order to meet new taxes, increased costs of operation and declining business.

The contemplated changes are:

Mining Stocks

Price Range per Share:	Old Rate —per share—	New Rate —per share—
$2 to $3	3c	3½c
3 to 4	4c	5c
4 to 5	5c	7½c
5 to 7½	10c	10c
7½ to 10	10c	15c
10 to 15	15c	20c

Industrial Stocks

Price Range per Share:	Old Rate —per share—	New Rate —per share—
$10 to $15	15c	20c
15 to 25	20c	25c
25 to 50	25c	30c
50 to 75	30c	35c

Stagger Hours Of Work In More Cities

From Our Own Correspondent

MONTREAL.—Over 15,000 workers in Ottawa and Montreal already have been affected by regulations staggering hours of work to relieve transportation congestion.

By the end of this year, several scores of thousands of workers will have changed their office or plant hours to help relieve the load on urban transport systems.

Committees are at work now in Toronto, Montreal, Ottawa, Halifax, Winnipeg and Vancouver on detailed plans to stagger hours of work. Studies are being made in other cities, but no definite steps have been taken as the urgency is not so great as in the cities mentioned.

Start in Ottawa

In Ottawa on Dec. 1, some 1,800 government workers were affected by staggering work hours. Dec. 10, another 4,900 workers had their hours changed. At present some 10,000 government and other employees in Ottawa are affected by "staggered hours."

Montreal Plan Moving

Montreal followed Ottawa. Employees of the Sun Life Assurance Co. of Canada and a number of other companies in the same area were the first to accept the plan. Results have been most satisfactory.

At present the five principal departmental stores in Montreal, all located on the same street and within a relatively short distance of each other, are considering staggering hours. Some 8,500 employees are involved.

In Toronto, Winnipeg, Vancouver and Halifax plans are expected to go into operation shortly.

Coming in The Post

Next week The Financial Post publishes a major study of Canada's mining industry — reviewing producing mines and outlining prospects for individual mining camps and individual mining companies.

The position of gold will have particular attention. Tremendous strides have been made by the metal mines in meeting the challenge of total war. The Post will tell how this affects the individual company. A dramatic story too is the search for many new strategic war metals.

Sport Slants FROM EATON'S

Imported from Scotland!

All-Wool India Cashmere PULLOVERS!

Luxuriously soft, these pullovers come in rich shades of green, grey, blue and natural sand. V or crew neck styles! Sizes 36 to 44.

Each 14.50

Main Store—Main Floor

T. EATON Co LIMITED TORONTO CANADA

The War And Business

Inter Allied Friction

This week U. S. Radio Commentator Kaltenborn took Premier Mitchell Hepburn severely to task for aspersions against the American fleet. Mr. Hepburn is reported as saying that "the proud United States Fleet is in hiding." Kaltenborn pointed out that the fleet has been quietly busy on essential convoy duty to New Zealand and Australia, and he warned of the danger of inaccurate statements especially from people in responsible positions.

One of the greatest dangers from serious Allied reverses in the Far East would be any general outbreak of recrimination among the partners. Authorities at Washington, London and elsewhere, it is understood, are on a sharp lookout and are prepared to take steps to check this sort of thing. They urge that the greatest friendliness and respect between the peoples that make up the United Nations is essential; that thoughtless and in all probability unjustified comparison between, say the British and American fleets or the fighting in the Philippines and that in Malaya, can only lead to dangerous cleavage.

• • •

Taxes, Compulsory Savings

Are taxes going to go higher? Are we going to have compulsory saving in Canada?

Some clue as to the answers to both these important questions was revealed in a speech of Dr. W. A. Mackintosh, economic adviser to the Department of Finance. Taxes, he declared, can never reach a peak during the war "as long as we can adjust our scale of living so that we can contribute more." In other words, as long as there is any slack in the belt or the body encircled by that belt, we can expect continuous tightening.

As for compulsory savings, there was much less certainty. The proposal, said this official, "is not to be rejected out of hand, but there are some serious difficulties in the way."

Chief of these, as seen by Dr. Mackintosh, is the lack of flexibility in any machinery to handle compulsory savings. Certain wage earners might be able to contribute heavily without hardship, others because of a sudden change in family conditions, might not. How could a blanket law cover both? Furthermore, he stated, any compulsory saving would, "to a large extent be made at the expense of voluntary saving."

• • •

Auto Accessories

Rumors to the contrary there is no shortage at the present time of batteries or spark plugs for automobiles and trucks, J. H. Berry, Motor Vehicles Controller, Department of Munitions and Supply, states, following reports that the government proposes to restrict the sale of these accessories.

Similar reports in the United States are also officially denied.

"It is not our intention to curtail the production of batteries and spark plugs," Mr. Berry says. "There should be no necessity, therefore, for a buying rush."

The Controller points out that worn-out batteries have a high reclamation value. More than 80% of the lead used in their manufacture can be recovered. Crude rubber is not used since the manufacturers have for some time been substituting reclaimed rubber. As far as spark plugs are concerned, the quantity of copper and brass used is very small.

• • •

Thrift Developer

In developing a spirit of thrift among the Canadian people, there is nothing that has been more efficient than life insurance. At the annual meeting of the Mutual Life Assurance Co. at Waterloo last week, R. O. McCulloch, president, stated that because of this life insurance men are qualified to play an important role in the war effort. One of the great needs of the day is saving by the public. Two objects are:

1. To reduce consumer spending, thereby helping to avoid inflation.
2. To make a larger amount of funds available for lending to the government.

As Mr. McCulloch pointed out, life insurance helps to accomplish both these objects. For years, life underwriters have been helping people to budget their family income so they will be able to put something into life insurance. Every dollar so saved today serves the double purpose of reducing consumer spending and making large aggregate amounts available for lending to the government. The Mutual Life itself has indicated its intention of taking $15 millions of the coming war loan.

• • •

Tariff Overhaul Coming?

Some overhauling of Canada's tariff structure appears in order from reports reaching The Financial Post. Drawbacks of duties paid on goods which enter production of war materials for Britain or the U.S. have to be arranged by the supplying manufacturer. In some cases the drawbacks will apply only to a small part of the article supplied, and the materials on which duty has been paid may have been lying in stock for years. Strict letter of the regulations is not universally enforced, but where it is, the drawback arrangement has become a major headache of war producers.

Thus far, the drawback applies only to goods going to U. S. or U. K., idea being to keep down the cost of the exported materials. On her own account, the Dominion is still paying full duties, paying out of one pocket what she takes in the other.

Dr. Hogg Sees Huge Power Shortage

From a position of having a power reserve for southern Ontario in 1938 of about 35%, including power purchased for future delivery, Ontario Hydro is now faced with an actual shortage which will be not less than 150,000 h.p. and may exceed 300,000 h.p. next winter, states Dr. T. H. Hogg, chairman of the commission, in an address to joint convention of the Ontario Municipal Electric Association and the Association of Municipal Electric Utilities.

In the three years since 1938, says Dr. Hogg, total primary power demand in southern Ontario is up 600,000 h.p., or 45%, to 1.9 million h.p.

The Commission has taken steps to have available 129,000 h.p. of new generating capacity for southern Ontario by next December, including 54,000 h.p. from the Madawaska and 75,000 h.p. to be purchased. In addition it may be possible to purchase additional 50,000 h.p. but this will likely not be delivered until 1943 when 65,000 h.p. will also be coming from the new DeCew Falls development.

The conclusion is, according to the chairman, that the only safe estimate which could be made for 1942 capacity was that it would do little more than equal the apparent shortage of last December, leaving the bulk of the anticipated growth of possibly 300,000 h.p. to be provided from some other sources.

East Kootenay Plans Change

East Kootenay Power Co. is expected to ask holders of its 7% first mortgage bonds, due April 1, 1942, for an extension of maturity for a period of from five to ten years, according to statement issued by Nesbitt, Thomson & Co. There are $1.9 million of these bonds outstanding on which interest and sinking fund payments have been met regularly since they were issued in 1922.

The bonds are payable in U. S. funds, and a premium of about $200,000 would have to be met at present rates.

Investor's Index

Feb. 14, 1942

Asbestos Corp.	20	H. Simon & Son	12
Barcelona Tract.	17	Halifax Power	12
Beauharnois	9, 12	Inter. Pete.	4
Bell Telephone.	17	Int. Utilities	1
B. C. Packers	13	James Maclaren	12
Brompton	9, 12	L. St. John Pwr.	9
Brown Corp.	14	Landed Banking	12
Bldg. Products	17	Maclaren Power	12
Canada Dry	12	Maclaren-Que.	12
Can. Steamship.	13	Mar. Tel. & T.	5, 20
Candn. Brewer.	4	Montreal Coke	4
Candn. Bronze	17	Mont. City & D.	5
Candn. Canners	13	Mont. Isl. Pwr.	12
Canadian Car.	15	Mtl. L., H. & P.	20
Candn. Celanese	4	Montreal Trust	2
Can. Industries.	13	Mutual Life	20
C. P. R.	2	Northern Assur.	8
City & District	5	Northern Life	20
Consol. Fire	20	Ottawa Car	13
Consol. Paper	18	Page-Hersey	13
Cub Aircraft	4	Power Corp.	12
Detroit Inter'l	20	Premier Trust	20
Distillers Corp.	17	Quebec Pwr.	5, 20
Dom. Bridge	13	Que. R., L. & P.	20
Dom. Coal	4	Royal Trust	2
Dosco	15	St. Lawr. Corp.	12
Dom. Textile	13	St. Lawr. Paper	12
Donnacona Pap.	12	Stedman Bros.	1
Dryden Paper	4	Sterling Trusts.	20
East Koot. Pwr.	2	Sun Life	2
Electrolux	17	T. Eaton Life	20
Ford of Canada.	13	Trans-Can. Air.	1
Guarantee Co.	17	United Distill.	4
		Winnipeg Elec.	12

MINES AND OILS

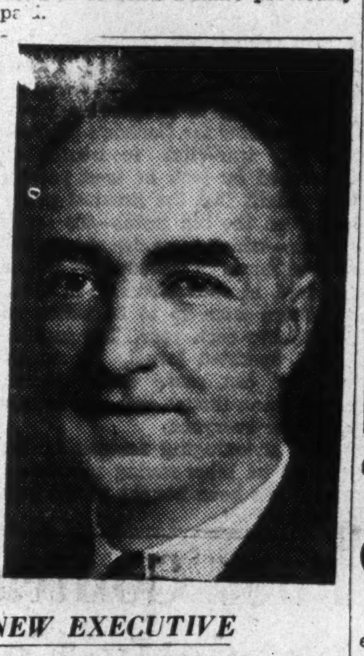
Beattie	18	Inter. Nickel	18
Brit. Dominion	18	La Luz	18
Cariboo G. Qtz.	19	Lamaque	19
Consol. Nicola	18	Marlhill	18
Dome	1, 19	McWatters	19
Fleming	19	Paymaster	19
Gold Belt	19	Pioneer	19
Gold Frontier.	19	Preston	20
Hallnor	19	Teck-Hughes	18
Hollinger	19	Thompson-Lun.	19
Hughes Mal.	19	Vincent Mal.	19

REGULAR FEATURES

Banking 9
Bonds 4, 5
Bond Quotations 16
Business, Week in 7
Company Reports 2, 12, 17, 20
Editorial 6
Income Tax Queries 13
Insurance:
Life 8
Investment Page 4
Enquiry Letters 13
Market Opinions 4
Stock Quotations 16
Mining Pages 18, 19
Mining Quotations 16
Municipal Finances 12
Oil Page 18
Oil Quotations 16
Pulp and Paper 14
Wheat Page 17
Wheat Quotations 17

DOME CUTS DIVIDEND

A quarterly dividend of 40 cents a share has been declared by Dome Mines payable April 20, 1942, to shareholders of record March 31. This is a reduction of 10 cents a share from the usual quarterly dividend of 50 cents a share previously paid.



NEW EXECUTIVE

Hugh H. Smith has been appointed secretary of Consumers' Gas Co. Mr. Smith has been associated with the company since 1920 and recently has been chief accountant.

HOLD HIGH THE TORCH OF FREEDOM

UNUSUAL BANKING In These Unusual Times

As Canada's war efforts speed up, business in general increases in volume and banking activity also increases. Our service keeps pace with requirements, although more than 600 members of our staff already are in the Empire's forces.

By experience, increased effort and up-to-date equipment, we endeavour to compensate for reduced numbers, to avoid delays and inconvenience to our customers, and to conduct all banking transactions, however unusual, with everyday efficiency.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*

Hip-Length Reversible All-Weather Coat

An ideal coat for curling, skeet shooting, hunting—general outdoor wear. English weatherproofed cotton gabardine, with scarlet all-wool blanket cloth on reverse. Full-length Lightning fastener front; two large button-flap pockets and one slide-fastener safety pocket. Two patch pockets on reverse. Sizes 36 to 46. Each 13.95.

Simpson's

THE STORE FOR MEN STREET FLOOR.

Company Reports

Sun Life

The annual report of the Sun Life Assurance Co. of Canada for 1941 shows:

An increase of 10.3% in total new assurances written.

Almost $3 billions of assurances in force.

Total assets up $44 millions.

Policy payments during the year of $88.3 millions.

New assurances effected during the year totalled $187 millions, Arthur B. Wood, president and managing director, stated at the annual meeting. Of this $2.3 millions was reinsured. Assurances in force were over $2.9 billions of which $29.8 millions is reinsured.

Total receipts at $169 millions were more than $2 millions higher than in the previous year. Payments to policyholders and beneficiaries were $88 millions, bringing the total of such payments since organization to over $1.4 billion.

Although there has been an increase in claims resulting from the war, Mr. Wood stated, this has been more than counterbalanced by the favorable death rate among policyholders generally. The mortality ratio under the entire business of the company, he stated, was actually lower than in the preceding year, being 55.2% of expected as compared with 56.9% in 1940. Total war claims during the year amounted to only 2.2% of total death claims. The death rate in Great Britain, said Mr. Wood, had increased somewhat under war conditions. But thus far during the war, including deaths in the armed forces and civilian deaths due to war, it has been approximately the same as for the company's entire business, he added.

Total assets at Dec. 31 were very close to the billion mark. Holdings of bonds are now $579 millions against $507 millions a year ago.

	1941 $	1940 $
New assurance	187,041,959	169,508,809
Assur. in force	2,971,747,088	2,963,708,831
Total receipts	169,346,875	167,319,247
Prem. income	100,229,486	99,927,420
Annuity prems.	12,345,836	11,667,533
Int., divds., etc.	36,322,410	34,724,096
Pol. payments	88,312,394	94,173,482
Death claims	25,996,285	25,792,656
Dis. claims	1,873,798	1,886,206
Mat. endows.	18,065,204	19,966,821
Annuity payts.	10,388,045	10,227,505
Dividends	12,463,459	14,506,783
Surrenders	17,171,719	17,250,317
Excess receipts over disburse.	50,389,774	43,166,409
Assets	995,518,009	950,794,367
Bonds	579,076,324	507,667,195
Com. stocks	200,981,163	216,071,256
Pfd. stocks	14,179,653	14,985,216
Pol. loans	81,869,156	84,813,612
Mortgages	49,732,717	44,701,513
Cash	16,996,721	28,691,357
Pol. reserves	834,254,155	800,267,559
Free surplus	18,118,207	18,118,208

Royal Trust

Royal Trust Co. statement for 1941 reflects decline in earnings due to higher taxation, lack of activity in the security market, and increased succession duties.

Earnings were slightly higher than in 1940, but tax provision reduced net profit to $330,932, against $359,087 in 1940.

Balance sheet shows the company account standing at just under $12.9 millions, compared with $11 millions a year ago. The gain reflects an increase in bank liabilities of $3.8 millions to over $5.6 millions, and on the asset side larger holdings of government bonds and loans.

The guaranteed account at the end of 1941 amounted to fractionally over $4 millions, an increase of $300,000 during the year.

Estates, trust and agencies account totalled $725.1 millions, lowest figure reported since 1934, which compares with $744.6 millions at the end of 1940.

Book value of Royal Trust stock, which has a par of $20, has been established at $70 a share, $10 a share less than the valuation a year ago.

Huntley R. Drummond, president, pointed out that as the federal government had taken over the income tax, it would have been logical, as well as right, for it to have taken over the succession duties as well on a similar basis.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	562,281	543,352
Less: Tax provision	231,349	184,265
Net profit	330,932	359,087
Less: Dividends	320,000	320,000
Surplus for year	10,932	39,087
Add: Prev. surplus	966,209	1,007,123
Dividend bonus	......	80,000
Surplus forward	977,141	966,210
Earned per Share	$3.30	$3.59

Balance Sheet Changes
Company Account

	1941 $	1940 $
Govt. bonds	5,479,279	3,754,858
Corporate bonds	1,917,536	2,280,063
Loans	1,002,435	340,183
Estate advances	436,721	335,724
Bank loans	5,659,195	3,848,768

Guaranteed Account

	$	$
Govt. bonds	2,199,667	799,007
Loans on bonds, etc.	1,125,256	2,276,050

Montreal Trust

Montreal Trust Co. earnings in 1941 declined to $4.14 a share from $5 in 1940. It is explained that while business conditions generally throughout Canada have shown marked improvement during the year and that this improvement has been evident in some branches of the company's work, it has not been reflected in certain other departments, such as its corporate trusts and transfer agency divisions. The result was a decline in net profit.

Estates under management rose by $8 millions to $865.2 millions, resulting in increased earnings from this division.

Two new directors have been appointed to the board of directors to fill the vacancies caused by death of Sir Herbert S. Holt and Henry R. Cockfield. The new directors are V. M. Drury, president Canadian Car & Foundry Co., and Lionel O. P. Walsh, president, Dominion Tar & Chemical Co.

Years Ended Dec. 31

	1941 $	1940 $
Net earnings	511,332	537,708
Less: Taxes	179,903	137,541
Net profit	331,429	400,167
Less: Dividends	320,000	320,000
Surplus for year	11,429	80,167
Add: Prev. surplus.	632,599	562,433
Less: Tfr. to pens. fund	10,000	10,000
Surplus forward	634,028	632,599
Earned per Share	$4.14	$5.00
Paid	4.00	4.00

Creditors' Position

	1941 $	1940 $
Trust funds	15,957,545	15,372,964
Secured by:		
Trust acct. assets.	15,957,545	15,372,964
Net cap. assets	5,644,028	5,632,600
	21,601,573	21,005,564
Estates, etc.	865,268,872	857,287,318

Bond Redemptions

Inter. Paper, A	*6%	1955	Mar. 1	105
Acadia Sugar	†4½%	1955	Apr. 1	102

*$419,500. †$24,000.

Obituaries

Joseph Errington, at Toronto, aged 71, president Little Long Lac Gold Mines Ltd., Sudbury Basin Mines, Sudbury Diamond Drilling Co., Steep Rock Iron Mines, vice-president and managing director Negus Gold Mines, director Sherritt-Gordon Mines Ltd., Bankfield Consolidated, Osisko Lake Mines, Ventures Ltd., Matachewan Consolidated Mines, Macleod Cockshutt Gold Mines.

J. J. Gibbons, at Toronto, aged 64, founder and president of J. J. Gibbons Ltd., advertising agency with head office at Toronto.

THE MONARCH LIFE Assurance Company ESTABLISHED 1906 A PROGRESSIVE CANADIAN COMPANY

Three Maturities Offered In Second Victory Loan

Shortest term maturity yet offered in the present series of war loans, the new 1½% Victory Loan maturing in 2½ years is to be issued purely for conversion purposes. On May 15 next an issue of $95.5 millions of Dominion 1½% bonds mature while on June 1 a further amount of $60 millions of 2% bonds fall due. Both of these issues are believed to be almost entirely held by institutions and will be accepted in exchange for any maturity of the new Victory Loan. There will be no cash subscriptions accepted for the 1½% issue.

Comparing with the 5½-year 2% issue offered at 99 to yield 2.19% in the last Victory Loan is the new offering of a 6-year 2¼% issue at par. This issue matures March 1, 1948.

General public interest will be largely centred in the longer term bonds, those carying a 3% coupon and maturing Mar. 1, 1954. This issue will be offered at par, will be callable at 101 on and after 1952 and will be paid off at 101 at maturity. If held to maturity these 12-year bonds will give a yield of 3.07%. This compares with a yield of 3.09% to maturity for the 10-year 3% bonds sold in the June, 1941, loan campaign.

For the new 12-year bonds the same installment buying privileges will be given as in the last loan. These call for a 10% down payment, two monthly payments of 15% and then three monthly payments of 20% with the final installment carrying a little extra for accrued interest.

C. P. R. Pays Off Two Loans To Ottawa Before Maturity

From Our Own Correspondent

MONTREAL. — Two of the four loans made by the Canadian government to the Canadian Pacific Railway during the depression years to relieve unemployment have been paid off before maturity.

Between 1932 and 1936 four separate loans were made. The 1935-36 loan of $1,270,000 for purchasing rail equipment, and repayable $100,000 annually as from Jan. 1, 1938. This loan was interest free for the first two years and thereafter at 4%.

Jan. 1, 1942, the Canadian Pacific paid off the balance of this loan, an amount of $870,000.

In 1936-37 the company received another loan of $554,700 to defray expenses in connection with employment of unemployed. This loan was to be paid off in five installments, with interest at 2½% annually. Final payment, $110,940, was made Jan. 2.

Of the two remaining loans still outstanding, one of $1,447,223 was made under the Unemployment Act in 1932-33 and is repayable on demand. This loan is without interest, except in the event the company pays dividend more than 5%.

The other loan of $1 million was made in 1933-34 and is repayable before any dividends can be paid by the company on its ordinary shares.

Quebec Okays 'Continental' Conscription

(Continued from page 1)

here has no comprehension of Hitler's technique of picking off his victims one by one, in the hope that the next in line will not come to the aid of the victim, preferring rather to take a chance on his own security.

In one small group of very representative French Canadians, interviewed last week, there was only one person who held the view that this war meant as much to Canada as it does to Britain. (He incidentally opposed conscription for overseas service.) The others voiced enthusiastic agreement when one of their number said "You think this war is like a conflagration in a town where, if the wind blows a certain way, every house is potentially in danger. But we do not see it that way. And no person is going to fight as enthusiastically to help save some other person's house as he will fight to save his own, if and when it catches fire."

Illogical? No doubt it is to the man who fully appreciates (as does Cardinal Villeneuve and as did Mr. Lapointe), what the menace of Hitlerism is to Canada, to Canadian freedom and to the Canadian way of life. But, illogical or not, many—if not the majority—of French-Canadians feel that way.

French Canada is prepared to fight and work and sacrifice anything to save Canada. If the people of Quebec truly believed that Canada's security and freedom were at stake in this war they would balk at nothing to save them. If they truly believed that conscription for overseas service was necessary for the defense of Canada, they would accept conscription for overseas service as willingly as they have accepted war taxation and war's limitations upon normal life in other directions.

Some French-Canadians, who would like to see an "all out" effort by Canada, emphasize the need for "education" of French Canada to a realization of what the war is really about; for an inspirational lifting of French Canada out of its apathy toward what so many of its citizens think of as some one else's war. They think it is a tragedy that Canada is without a Churchill or a Roosevelt to light a torch of spiritual emotion in French Canada.

Wanted—A Churchill

It is easier to point out these facts than to indicate how, lacking a Churchill, French Canada is to be convinced that sending Canadian troops to Britain, in order to protect that outer bastion of our shores, is actually necessary for the defense of Quebec itself. That the task is not easy is obvious from the failure of such great leaders of French Canada as Villeneuve, Godbout and Lapointe to carry a majority of their people with them in their own efforts at inspiration, education and "salesmanship."

It is to be questioned if there is very much that other parts of Canada can do to convince Quebec. The sincere and honest effort of the Committee for Total War in Ontario to set forth the views of their own province merely aroused the deepest distrust and resentment in Quebec. The "Total War" campaign was interpreted very widely in this province as an effort by the "Toronto gang" to force Quebec's hand.

Godbout's Retreat

There are some French Canadians who see the issues in this war as clearly as the most widely travelled English-speaking Canadian. They are a brave, wise and zealous minority. But some of them, who are in public ife, have apparently given up hope of trying to bring their compatriots along with them. That seems true of Premier Godbout, who has beaten a hasty retreat from his forward position and is now more closely aligned with the groups who stand for a limited war effort.

The reasons for Mr. Godbout's change of pace—if it is not even more, a change of position—are clear enough. He found the anti-conscriptionists and the "we'll go all out when Canada is attacked" school gaining upon him. Whether or not Premier Godbout would have shown more courage and patriotism by sticking to his forward position may be argued. But the important fact—and it is a portent—is that he decided that he was too far ahead of Quebec and, to avoid losing entirely his position of leadership, he retreated.

Distrust the Plebiscite

The plebiscite will not help. The plebiscite is as much opposed and distrusted in Quebec as it is in Ontario for different reasons. Ontario thinks of it as a cowardly way to postponing direct action to meet the needs of the war situation. Quebec thinks of it as a device for imposing conscription upon the province against its will.

The controversy over conscription has merely gained in violence from the proposal for a plebiscite.

That French Canada will respond when it is convinced of the need for any particular war contribution is clear enough. In the by-elections some speakers opposed the "billion dollar gift" to Britain and were warmly applauded. But in one small French-Canada group, which spoke bitterly of this financial arrangement as an unnecessary piece of generosity to a foreign country, an English-speaking Canadian put the facts of Canada's "aid to Britain" in simple language. Each of the Quebeckers present said in effect: "With that explanation we are content. All our people would approve if they had the story told to them that way."

Still Not "Sold"

Quebec has no objections to Total War—if it is total war for Canada. But it argues, as did a responsible French-Canadian last week: "You've done a poor job of salesmanship. You haven't convinced us that this is as much our war as it is your war."

There is no question of Quebec's loyalty. But that loyalty is not synonymous and synchronous—in the objects of its affection—with the loyalties of other parts of Canada. It is loyalty to Canada, and Canada alone. "I've been here 300 years; this is my country" is an expression heard on every hand.

The Link With Empire

Implicit in that is the view that Quebec has little stake in the British Commonwealth of Nations. This is not Cardinal Villeneuve's view. In his address in Toronto last year he paid high tribute to the Commonwealth as something of vital interest to French Canada. It must, he said, "be defended and protected at all costs, even through bloodshed."

Earlier, Premier Godbout had asked such a war effort by Quebec that "the British crown might never cease to find in Canada its brightest jewel."

There was little of that type of stimulating and inspiring expression in the recent by-election campaigns.

In conversations with the writer last week there was one man—a not insignificant figure—who spoke throughout of the war as something English Canada wanted and French Canada did not want. He voiced no disapproval of war taxes, or of war controls. He approved conscription for the defense of North America. He approved the raising of troops in Quebec for overseas service—so long as voluntary methods only were used. But he was violent in his opposition to those last steps toward a total war effort: selective compulsory service for all citizens and a battle to the death against the enemy wherever the enemy can be engaged.

Disloyal? Not at all. No man could be more loyal to Canada. No man could express his loyalty—and perhaps the illogicality of his reasoning—more clearly than that man has. Too old for military service himself, he has three sons now overseas with the Canadian forces.

That probably is the real expression of Quebec's attitude to the war.

'Conscription of Wealth' Gesture is Expected

(Continued from page 1)

ernment was currently putting its reliance on an intensified programme of voluntary savings, the difficulties in the way of a compulsory savings programme might not be "unsurmountable."

Already the government has been granted and has exercised its wartime power to conscript or appropriate property which is deemed essential for the defense of the realm and acquiring personal capital assets which would have no value unless realizable is a very different matter. Any more in this direction would depress further the market value of assets which has already fallen seriously in relation to the extended use which the property they represent has been put to as a result of the war effort.

More Income Taxes

Certainly some extension of corporate and private income taxation seems inevitable in the next budget. This is indicated from purely fiscal reasons, apart from any new trend in political pressure so far as "wealth" is concerned.

Conceivably such tax increases may be coupled with an accompanying political fanfare which would make it appear that the government was moving sharply to the "left" and committing itself to a total conscription of "wealth" (that is, in the sense of "income") as preliminary to further conscription of man power.

Analysis of present income tax rates on those receiving incomes of $10,000 or over, discloses (theoretically) that although amounts ranging from 27% to 80% of their income are being taken from them by the federal tax collector, such persons still retain anywhere from $6,400 (in the case of a single taxpayer earning $10,000 a year) up to $100,000 (in the case of a married man with two children, earning over $500,000, of which anything over $30,000 is considered investment income).

The last published income tax returns show there were less than 12,000 persons in this category and that they contributed in that year (1939-40) about 75% of total tax revenue.

Increased Wealth Not Here

Although Ottawa may look with covetous eye on this sort of income, the basic fact, well known by the tax collector and the economist but ignored by the politician, is that the real increase in national income (estimated for the next fiscal year at $6.6 billions) has been not in these higher income brackets but among the rank and file of industrial wage earners.

For this reason there is an obvious clash between what might be termed an effective political tax policy and one that is effective in a fiscal sense.

The former suggests a possible gesture at conscripting more wealth from well-to-do persons and corporations. The latter suggests possibly a universal "gross" withholding or defense tax, possibly in the form of a compulsory savings levy which, as in the case of Britain, would start with a high initial rate and then allow exemptions as opposed to the present policy of a low tax rate (national defense tax for example) with no exemptions.

Bond Tenders

8 p.m., Feb. 14, Sch. Mun. of Buckingham, P.Q.—$17,000, 4% dated Jan. 1, 1942, redeemable serially 1943 to 1953. C. P. Lahaie, sec.-treas.

7 p.m., Feb. 21, Sch. Corp. of L'Abord à Plouffe, P.Q.—$6,000, 5%, dated Mar. 1, 1942, redeemable serially in 12 years. W. Marchand, sec.-treas.

5 p.m., Feb. 23, Cap de la Madeleine, P.Q.—$75,000, 4½%, dated Apr. 1, 1942, redeemable serially from Apr. 1, 1943 to 1952, or from Apr. 1, 1943 to 1962. F. Beaumier, clerk.

12 noon, Feb. 12, Canada Treasury Bills—$45,000,000, dated Feb. 13, 1942, payable May [illegible]

in MONTREAL... the BERKELEY HOTEL

Situated on Montreal's finest residential thoroughfare . . . the Berkeley maintains a reputation for quiet comfort, service, and hospitality. It is the regular Montreal "Stop" for people of taste.

Its Dining Room is a gathering place of discriminating folk.

1188 Sherbrooke St. West, MONTREAL.

Berkeley

This week, The Financial Post asked —

What Five Major Steps Could be Taken to Cut Retail Distribution Costs as Wartime Economy?

What amounts to an ultimatum has been issued by the Wartime Prices & Trade Board to Canadian merchants. Merchandising costs must be reduced, says the Board, so that goods can be handled well under the present price ceiling. In effect, the Board tells merchants, modern frills must be discarded.

But both Board and merchants are finding this is more easily ordered than carried out.

On a few points, however, there seems to be general agreement and here retrenchment is already under way. Delivery cost is one example cited to The Financial Post. Soon citizens may have to get along with bread, milk and other staples delivered only every other day. Bridge players running out of gum or cigarettes will get a cold refusal when they ask the corner drugstore to send up more during the evening.

Sweeping curtailment of delivery services, however, will not be an unmixed blessing to retailers especially the smaller ones. Because of the lower volume of business handled many of these have had to sell at higher prices than chains and department stores, but have been able to compete because of special delivery and other extra services.

On the need for standardization of packages, there seems to be almost general agreement. Larger and fewer cans, cartons and bags are advocated with more salvage of empties.

Dealers in perishable goods sound a note of caution. They point out that the small family in an apartment will often be unable to buy vegetables, soups and juices in large tins for the simple reason that they have little storage space. Many families too, it is stressed, lack refrigeration facilities and must get their milk daily, especially during warm weather.

Because retailing covers such a wide range of goods and territory, merchants' associations have urged authorities to go lightly and slowly on any blanket orders. They argue that what might be suitable for the corner druggist might spell disaster for the grocer, that would help in a city like Montreal, Toronto or Winnipeg might not apply at all to Truro, Medicine Hat or Kamloops.

J. H. Brewer

Independent grocer, Galt, Ont., and president, Grocery Section, Retail Merchants Association of Ontario.

Appeal to housewives to:

1—Order at least two days supplies at one time.

2—Save and return paper bags in good shape.

3—Make a point of paying accounts in full leaving no balances.

4—When residing near store to refrain from requesting delivery unless in quantity.

5—I would also suggest that hours of doing business be curtailed.

* * *

G. T. Cunningham

President and general manager, Cunningham Drug Stores Ltd., Vancouver.

1—Elimination of installment and credit buying.

2—By giving as little delivery as possible and making a charge for delivery.

3—I do not believe there is much waste or that further substantial economies can be effected in retail distribution.

* * *

B. T. Huston

Editor, Canadian Grocer.

1—Systematize delivery by putting it on a definite schedule with one or more deliveries discarded; adopt co-operative delivery in each business centre.

2—Adapt semi-serve or self-serve where possible . . . this increases size of average sale and total business at same overhead. Install time and labor saving equipment to serve customers more rapidly and to cut bookkeeping costs.

3—Cut pilfering by installing low floor fixtures and by better supervision.

4—Use proper storage to prevent label and container spoilage which tends to unsaleable merchandise.

5—Buy from hand-to-mouth to reduce stock investment, and to increase number of turnovers.

H. M. Jenkins

President, Jenkins' Groceterias Ltd., Calgary.

1—Reduction in deliveries is already under way and it can be carried still further without serious inconvenience.

2—Standardization of brands and sizes, just commencing in groceries, will speed up turnover simplifying handling orders by untrained help.

3—Credit restriction along lines of recent order will reduce losses. Simpler and surer method of enforcing collections badly needed.

4—By mutual agreement restriction of some forms of advertising should be possible.

5—Only under special circumstances should additional businesses be licensed to start, thus labor and capital would be conserved.

* * *

C. V. Jeffers

Of Orangeville, Ont., and president, Ontario Retail Druggists Association.

1—Compel earlier closing of drug stores.

2—Advocate cash and carry system.

3—Cut down the number of deliveries per day.

4.—Prohibit delivery of many items such as candy, cigarettes, soft drinks, magazines, and so forth, after 6 p.m.

5—Have one drug store only, out of every five, remain open in turn during evenings and on Sunday.

* * *

F. W. St. Lawrence

Vice-president and managing director, George Weston Ltd.

1—Reduce delivery expense by 50%. Cancel special deliveries.

2—Encourage consumer buying in larger packages by cancellation of smaller sizes.

3—Limit credit to seven days or C.O.D..

4—Reduce number of items manufactured.

5—Prohibit long distance reverse telephone calls.

* * *

W. R. Scott

Independent grocer, operating large high class business, Dupont St., Toronto.

1—Eliminating wasteful milk distribution, by zoning cities for each dairy.

2—Eliminate door-to-door bread delivery. There is much overlapping—would correct by distribution through stores only.

3—Eliminate a large number of unnecessary sizes in containers—would standardize to three main sizes.

4—Cut off wasteful, highly advertised uncooked package cereals. Consumer will benefit by 50% by buying in bulk.

5—Correct present war measure which permits employees to leave for higher wages but does not permit employers to hold them by offering a raise, though employers are allowed to hire new replacement help at higher pay.

* * *

A. A. Shelly

OK Economy Stores, Saskatoon.

1—Decree arbitrary imposition of a ten cent service charge on each retail sale where the retailer voluntarily provides any or all of telephone service, delivery service, charge or deposit account convenience. This would induce thrifty consumers to deprive themselves of such conveniences and thus reduce retailing overhead and release labor. Incidentally it would also make a standard price ceiling practicable.

2—Decree Dominion-wide six o'clock retail store closing, Saturday included, thereby shifting business from nights to otherwise slack day hours, avoiding overtime and releasing labor.

3—Restrict available range of goods to common sense standards thereby reducing retailers inventory investment.

* * *

W. C. Scott

President and general manager, G. Tamblyn Ltd., drug chain, Toronto.

I believe cutting retailing costs is a matter for individual businesses.

Our company, and presume others, giving every consideration and have effected definite savings including gasoline consumption.

Nature of our business demands delivery facilities.

* * *

Walter P. Zeller

Chairman, president and managing director, Zeller's Ltd., variety chain stores.

In so far as our own company is concerned, salaries and occupational costs which include rent, insurance, business and property taxes, not including income taxes, are responsible for 80% of total costs of doing business. Therefore I am unable to suggest five major steps which can be taken to substantially reduce our retail distribution costs.

Some minor savings might be made in more careful attention to miscellaneous expenses such as use of telephone and telegraph, correspondence, travelling, etc. But I see no possibility of any substantial reduction.

* * *

Alvin J. Walker

Vice-president and managing director, Holt Renfrew & Co. Ltd., Montreal.

1—Allow no goods to be sent on approval.

2—All sales final—no returns, exchanges or refunds.

3—Only large heavy parcels to be delivered — small parcels to be carried. Some form of centralized delivery should be considered.

4—All alterations on merchandise to be charged for.

5—All advertising to the public should be strictly based on facts. Where price reductions are quoted they should be from actual not fictitious, previous prices. Newspapers should scrutinize such advertising material.

* * *

F. M. Shore

Editor, Drug Merchandising, Toronto, Canada.

1. Deliveries may be made only at certain hours, with no night deliveries except for emergency. Neighboring stores may pool deliveries.

2. Long drugstore hours may be shortened, cutting hydro and salary expense.

3. Unnecessary and elaborate wrapping and packaging may be eliminated.

4. Display material and other supplies may be conserved.

5. Buying practices should ensure purchase of faster selling lines in economic quantities, slow selling lines in small quantities.

Many drugstores throughout Canada are already observing some or all of the above measures in some degree at least.

* * *

Percy K. Heywood

General manager, Evangeline Shops, Ltd., Toronto.

On account of price ceiling legislation and lower profit margins, management must cut retail distribution costs by a constant and close check on buying, by eliminating losses on unwise purchases and by promoting quality buying by the consumer. Salespeople will have to be most carefully trained so that each one is as productive as possible.

Further savings can be made by less frequent deliveries, more careful extension of credit, less lighting after store hours, elimination of fancy wrappings and gift boxes, and the reduction of some types of advertising expense, such as large scale promotions conducted only to equal or exceed past volume figures.

Group Judgment

Your appointment of the Crown Trust Company as one of your executors is your assurance that your estate and the interests of your family will be in the hands of a group of men whose specialty is long range planning based upon broad experience in estate and trust maters.

Group judgment leads naturally to conservative and thoughtful management.

We invite you and your lawyer or notary to discuss these matters in strict confidence with us.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

London Calling by Adelphi

LONDON.—A young man who has been away from his moorings is Major Randolph Churchill, son of the Prime Minister, who recently came home on leave from Egypt. Like Duff Cooper he has had a stormy passage in life.

As a youth he was sure of his opinions before people were sure of him and he had to pay for that precocity. Recently he attended the one-day sitting of Parliament and came in just as Richard Stokes, the rich Labor M.P., was denouncing everything including the Prime Minister, the war in the Far East and the Libyan campaign.

Randolph Churchill had just taken his seat beside Sir Roger Keyes when his ears heard the word "Libya." He half rose to intervene but Admiral Keyes whispered to him and he sat back flushed and resentful. Then he went around and spoke to Mr. Speaker but that dignitary shook his head. There was no chance for the returning pilgrim in the debate that day.

* * *

No Room for Randolph

No doubt the Speaker's list was full but the one thing the House likes is to hear from the man on the spot. Stokes, like the poor, is always with us, but here we had a chance to get the news and views from the tank's mouth.

The future of Randolph is difficult to forecast. He has many of his father's qualities but neither his genius, his adroitness nor his humor. On the whole we are not likely to see the story of Pitt the elder and Pitt the younger repeated in the Churchill saga.

However, Randolph has a baby son named Winston Churchill. During the last ministerial reshuffle it was rumored in the lobbies that the youthful Winston was to be put in command of all "under-two evacuees." It proved untrue.

* * *

Taming of the Shrew

Speaking of evacuees, Geoffrey Shakespeare, the Dominions Under-Secretary, told me that when he was visiting the evacuees in Canada he heard of an English boy who had been a nuisance and a misfit everywhere. The kindliest families threw up their hands. He was just a non-co-operator and as tough as he was obstinate.

Finally a childless farmer and his wife in the West took him on although duly warned. Shakespeare was so interested that he travelled some hundreds of miles to check. The farmer was delighted and when the boy came in from his work his manners were good and he looked happy. Finally the farmer said: "You had better go out and do the chores now, son." Out went the boy with a smile and the farmer's eyes followed him with pride. "He's a good lad," he said, "but he needed understanding. We're so fond of him now that I shall leave him the farm when I die. He's here to stay."

What a story for a novel or a film!

* * *

Here is the latest army joke, which may not be appreciated except by soldiers.

The quarter-master sergeant was equipping a new recruit with battle dress. The trousers fitted perfectly, the tunic might have been made for him in Saville Row, the cap was just right.

"Lor love a duck!" exclaimed the sergeant, "you must be deformed."

The tools of war are made, for the most part, by machines. But, behind every machine, there must be a trained mind, a skilled hand.

Without an adequate supply of skilled men, production costs cannot be held down to a proper level . . . the planes and tanks, the ships and guns, which we so badly need cannot be produced save at a cost far beyond that which we, the people of Canada, should be called upon to pay.

To find a way of producing them at *minimum* cost is industry's most pressing problem. And it is of vital concern to every Canadian. For, make no mistake about it, a plane or a ship that costs us twice as much as it should is a direct loss to the nation in a military no less than in an economic sense.

For more than fifty years, International Correspondence Schools has been training men for industry. In more than 2,500 industrial establishments in Canada and the United States, I.C.S. Cooperative Employee Training Plans are in operation right now. Under these plans, student employees pay for their own training, and shop work and home study are related, directly and definitely, to the requirements of the industry.

This type of training has proved itself capable of producing greater results —in less time and at less cost — than any other method.

There is an I.C.S. TRAINING PLAN *for* EVERY TYPE OF INDUSTRY

Ask us for details.

INTERNATIONAL CORRESPONDENCE SCHOOLS CANADIAN, LIMITED

Cooperative Training Division—Montreal, Que.

Both have read the Star Weekly—both have seen the advertisement. They're both interested —they decide to try the product.

Because the Star Weekly has such unusually high readership by both men *and* women it always offers you a *double* chance.

Also, of course, there's the 500,000 circulation!

LARGEST CIRCULATION IN CANADA *plus* HIGH READERSHIP

The STAR WEEKLY

PUBLISHED AT 80 KING ST. W., TORONTO, CANADA

MONTREAL ADVERTISING OFFICE: University Tower U.S. REPRESENTATIVES: Ward-Griffith Company Inc.

Much Backstage Work Done For Loan

Proved Business Methods Being Used To Ensure Success in Victory Loan

By R. C. STARK

Monday next, when the opening gun of the new Victory Loan is fired, a month's feverish activity behind the scenes will bear fruit. Into preparation for raising $600 millions or better for this Loan has gone an amount of work amazing in detail, expert in efficiency.

Much of the basis of this activity has been provided by experience and information gathered in previous Loan campaigns. With each new issue there has been a progressive increase in the efficiency of the Loan organization.

Take, for instance, the work of the Special Names Committees. Their work is started by instructions from the government to list all those corporations, groups or individuals they think should be able to subscribe for $25,000 or more. Those below that figure are given to the general canvassers.

Records Kept

In the headquarters of the committee under careful watch are complete records of subscriptions to previous loans to be used as a guide for the present issue These records are used as a basis for estimating the lending abilities of specific areas or corporations. Immediately upon conclusion of the Loan these lists are returned to their Ottawa vaults. No chances are taken of their being used for other purposes than helping win the war.

Men who operated in the Loan campaigns of the first war report that there is an appreciable decrease in the number of individuals who qualify as being likely to subscribe for $25,000 or more. Heavy personal taxation has meant that the lists for Special Names Committee purposes are now largely made up of corporations.

Much the same system of appraising lending power stems down throughout the whole rank and file of Loan organization. Experience of previous Loans has brought the realization that nothing approaching an efficient effort can be expected if salesmen go out "cold." In short, time-proven business principles are showing their worth. In some smaller towns the record of previous small subscriptions is equally complete.

Those engaged in the actual sale of the Loan look upon their job as one that calls for real salesmanship. While, admittedly, the patriotic angle plays a large part there are special problems to be surmounted. For instance, some corporations are not as liquid as they might be—it will take an experienced and understanding salesman to see that problem and meet it in the best way for all concerned.

Particularly in the lower income brackets is the importance of salesmanship stressed. Despite the experience of previous Loans there still remains a good deal of educational work to be done among the thousands of Canadians totally unused to any type of investment. With the decline in availability of "middle-class" income for Loan purposes the need to bring small buyers into the fold is even more urgent.

Canadian Method

These conditions have given rise to a technique that is purely Canadian. Our methods draw practically nothing from American or British practices.

In Great Britain the problem is different. Britain for years has been a lending nation while Canada has been a borrower. There is not the same psychology here. Then, too, the concentration of wealth in the hands of banks and insurance companies doing a great world-wide business is much more evident in Britain than in Canada.

The British government allows a commission of one-eighth of 1% to brokers on sales of national war and savings bonds. This low rate is explained by the fact that it is not customary for British security dealers to send out salesmen, so that their costs are relatively low.

Distance, climate and other factors mean higher costs in Canada, but constant scrutiny has brought these to a very low figure.

Costs Scrutinized

In each province there is an Administration and Finance Committee working with the Executive Committee. All campaign expenses including the smallest amounts incurred in the province must be submitted for the approval of this committee before they go to Ottawa for settlement.

Total cost of the 1941 Victory Loan when subscriptions were $836,820,250 was $8,786,570.

Preparation and distribution of the bonds cost $363,921; administration expenses were $769,826; publicity, $1,058,068; commissions to individual canvassers, $1,551,713; remuneration to banks, trust and loan companies for handling and delivering bonds, $1,750,000, remuneration to investment dealers and stock brokers was $3,293,040.

Expenses incurred in the first war loan in January, 1940, for $250 millions were $2,170,920, and for the second war loan of almost $325 millions in September, 1940, expenses were $2,735,645.

Some Changes

Sales methods this time will see some change from previous Loan campaigns. For instance it was formerly fairly easy to get aid from the Department of National Defense for troops, bands and equipment for parades. Now the training of men has become intensified and it is not so easy to secure the release of even a few men in uniform for Victory Loan demonstrations. The increased shipment of Canadian-made military equipment to overseas points means only a little surplus for Victory Loan Committees in all provinces.

This lack will be made up by increased emphasis on other activities such as beacon-lighting ceremonies, Good Neighbor Days, touring of travelling shows and Victory Loan Sunday.

The supply lines have been established and the staff work largely done for this great $600 millions effort. This is no haphazard system; tried experience and expert brain power has gone into it. The greater efficiency in marketing the loan, the greater the total subscribed and the less the cost. And a dollar saved is just as good as a dollar subscribed.

What it Will Buy

What that $600 millions means in fighting equipment is indicated by this list of approximate average cost of Canadian war weapons:

	$
Rifle and bayonet	55
Soldier's personal equipment	95
Bren gun	325
Anti-tank rifle	200
Universal carrier	5,000
2-pounder anti-tank gun	7,500
Bofors A.A. gun	25,000
25-pounder field gun	25,000
3.7 A.A. gun	75,000
18-ton infantry tank	75,000
28-ton cruiser tank	100,000
Field artillery tractor	2,700
3-ton army truck	1,500
Ammunition	
.303 rifle bullets, 100 rounds	5
25-pounder gun shells, 100 rounds	1,250
500-lb. bomb	100
40 mm. A.A. gun shells, 150 rounds	1,000
3.7 A.A. gun shells, 100 rounds	2,000
Aircraft	
Elementary trainer	8,000
Intermediate trainer	40,000
Medium bomber	100,000
Heavy bomber	175-300,000
Flying boat	225,000
Fighter plane	25-50,000
Parachute	235
Naval	
Minesweeper	600,000
Corvette	575,000
Motor torpedo boat	150,000
Cargo boat (10,000 tons)	1,750,000
Fairmile anti-sub boat	130,000

A fully equipped infantry battalion—41 officers and 896 men—costs us $300,000. With what we lend next week we can put about two million such men, or their equivalent, into action.

Investment Notes

United Distillers of Canada shareholders were told at the annual meeting that an acute shortage of whiskeys exists in the world market. Current operations are strongly influenced by the resulting heavy export demand which is increasing daily.

* * *

Brokers' loans reported by members of the Toronto Stock Exchange at Jan. 31, totalled $8.5 millions, a gain of $112,350 from December and $121,103 lower than Nov., 1941. Quoted market value of all listed stocks at Jan. 31 was $3,530.1 millions, a decline of $75.7 millions from Dec. 31. Ratio of borrowings to quoted market values was 0.24 of 1% as compared with 0.23 of 1% at the end of December and .25 of 1% a year ago.

* * *

Dominion Coal Co.'s collieries produced 411,215 tons of coal last month against 419,058 tons in Jan., 1941.

It is expected 1942 output will show a substantial increase over last year, picking up largely from April through to October. During that period in 1941 the slowdown miners reduced production some 500,000 tons.

* * *

Montreal Coke & Manufacturing Co., in which Montreal Power holds a half interest, produced and sold 367,960 tons of coke during 1941. Figure includes 102,000 tons of coke for metallurgical purposes.

To provide this tonnage of coke, and also gas for the distribution system of Montreal Power, Montreal Coke used in 1941 nearly 541,961 tons of coal, or 1,485 tons a day.

* * *

Cub Aircraft Corp. has appointed B. C. Elkin, Hamilton, as general manager. There are now two vacancies on the board of directors which normally includes seven members.

* * *

International Petroleum shares the benefits from record crude oil production being achieved in Venezuela. Meme Grande Oil, in whose production International Petroleum has a quarter interest, produced 3.7 million bbls. in Nov., 1941, approximately the same as in October that year and well above the 3.4 million bbls. produced in Nov., 1940.

* * *

Canadian Celanese — The way things are shaping up, Canadian Celanese will show a net profit of some $4 a share on its common stock this year after full provision for taxes. Report for 1941 is not yet available, but is expected to show a substantial gain over the $2.23 reported in 1940.

* * *

Dryden Paper—With operations at capacity and power and water conditions corrected, current earnings are running well ahead of 1941 and should bring substantial common earnings for first time in years.

Market Opinions

Concensus this week is that there is no hurry to make purchases of additional stocks, but liquidation is opposed.

Magazine of Wall Street, N. Y.—Barring decisive change in the war news, we doubt important movement either way is likely in the general run of equities over the immediate future. We see no reason why those who can comfortably sit tight should not do so. On general principle, at a low level of prices, we would prefer selective, scale-down buying in periods of recession, as against unnecessary liquidation.

Brookmire Counselor, N.Y.—Contradictory influences at home and abroad require clients to maintain a balanced and sound viewpoint. The remaining cash should be held back as a hedge against further war and tax uncertainties; but present well-diversified holdings should be kept intact as stock prices are quite low relative to earnings and dividends.

INDIVIDUALITY

Among men of good taste, it's the slight touch of individuality that counts so much in clothes. And individuality is attained only by the careful craftsmanship of experienced tailors working to your personal measurements. Levy Bros. can assure you of the utmost satisfaction on every item of your wardrobe.

Levy Bros.

69 WEST KING STREET, TORONTO

THE SCOTT MISSION

Rev. M. Zeidman, Director

726 BAY ST. TORONTO WA. 9855

Have Your Children Ever Cried For Bread and You Had None to Give Them?

2 boys brought the following note to the "Scott":

"Mr. Zeidman: Will you please see if you got any bread and jam, tea and sugar, as I had to keep the children home from school. Could you give me some groceries for them so I can send them to school for this afternoon? I will be glad of anything. I haven't even got bread."

From a Mother of Nine

Will you help us in our work of mercy?

We feed the hungry, clothe the naked, irrespective of race or creed. A non-denominational Faith Mission that urgently needs and fully deserves your support.

Trends

IN INVESTMENT

World's largest stock brokerage firm, Merrill Lynch, Pierce, Fenner & Beane, New York, had a net profit of $469,258 in 1941, a substantial improvement from the net loss for the period of April 1, 1940 to Jan. 3, 1941, of $308,621. The report points out that while the firm probably does more business on major U.S. security and commodity exchanges than any other single competitor, its share of the total is still relatively small:

	Share of Total %
N. Y. Stock Exch. (round lot)	7
Do., (odd lot)	8½
N. Y. Curb Exchange	8
N. Y. Cotton	7
New Orleans Cotton	13½
Chicago Board of Trade (grain)	5

* * *

Advertising and sales promotion of all kinds cost this firm $196,483 last year but it is claimed that a large number of the 29,886 new accounts placed on its books were the direct result of this expenditure.

While it is true that this firm's business grew substantially last year, its partners are seriously concerned at the continued shrinkage in the share volume in the New York Stock Exchange. A large part of its effort was directed to searching for new sources of income to replace revenue formerly derived from commissions on listed stocks.

Its total assets at Dec. 31, 1941, were $77.9 millions; its gross income last year was $4.4 millions and its net worth is reported at $6.1 millions.

Canadian Breweries Offers Arrears Plan

Proposals to eliminate arrears of dividends on the preference shares of Canadian Breweries Ltd. are to be voted on by shareholders on April 22.

By-law to be presented to shareholders provides for cancellation of $6.75 a share in arrears. In return for this, annual dividend rate on the stock would be raised from $3 a share to $3.40 a share and the redemption price increased from $40 a share to $46.75.

It is stated that the increase in the dividend rate is equivalent to about 6% interest on the arrears and the eventual right of shareholders to receive payment of the arrears is protected by the increase in the redemption price.

At the same meeting, shareholders will be asked to vote on proposals to eliminate the present restrictions on issuance of bonds and secured obligations. It is stated that existing restrictions are no longer suitable to the capitalization of the company and the likelihood that it will normally have a substantial amount of secured debt.

E. P. Taylor, president, states:

"The accompanying proposal has been put forward only after a most exhaustive study by your directors of many alternative suggestions and is recommended for your favorable consideration and approval in the belief that it is fair to both classes of shareholders as well as being in the interests of the company itself."

In the year ended October 31 last, Canadian Breweries earned $3.49 a share on its preference stock, compared with $3.22 a share the preceding year. Last year's earnings set a new record and marked the fifth consecutive year to show higher earnings.

Canadian Breweries has been paying the full $3 a share annual dividend on the preference stock since July, 1940. It had paid $2 a share for the three preceding years.

Mr. Taylor reports for the latest year that an extensive export business has been carried on for some months to British forces in the theatres of war.

He refers to "further extensive improvements" made to several of the company's plants, thereby increasing capacity and improving equipment. He maintains that "as a result of the continuous programme of plant improvement carried on over several years" the company is "in a position to operate efficiently during a period when governmental restrictions will prevent further large expenditures on capital account."

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and trac. tion	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941: Monthly Figures:												
Jan.	77.6	74.1	72.1	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Aug.	76.8	70.2	72.4	49.1	106.3	91.8	95.7	79.7	64.4	89.7	71.2	67.8
Sept.	80.5	78.5	75.1	51.3	108.4	93.3	102.4	82.4	68.8	91.2	74.7	71.0
Oct.	78.3	75.5	74.5	51.2	105.7	91.9	98.7	78.9	67.2	90.8	72.5	69.1
Nov.	78.2	76.4	74.9	52.9	110.0	91.0	102.6	77.8	65.5	91.7	71.1	68.8
Dec.	75.5	72.9	72.2	49.0	110.4	91.4	104.8	75.5	63.0	90.5	68.7	67.2
Weekly Figures: 1942:												
Jan. 2	74.5	71.5	72.4	48.5	110.4	91.6	106.1	75.1	64.0	90.3	69.9	68.2
Jan. 8	73.3	73.1	75.7	46.7	113.5	91.7	102.1	75.5	63.8	90.9	69.6	67.1
Jan. 15	74.8	72.8	75.3	46.5	112.7	89.5	99.0	74.8	63.8	90.9	70.3	67.0
Jan. 22	74.2	72.8	74.6	44.9	112.2	87.2	98.1	75.3	65.2	91.3	70.9	66.4
Jan. 29	74.9	68.9	72.3	45.4	112.6	86.3	97.4	74.6	64.9	91.1	70.7	66.5
Feb. 5	75.0	72.8	69.3	44.8	110.0	88.0	97.3	74.5	64.4	91.5	70.3	66.6

*High and low for years from 1929 to 1940 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 10	88.20	76.75	68.00	18.22
Feb. 9	89.10	77.58	68.73	18.39
Feb. 7	89.45	77.74	69.00	18.40
Feb. 6	89.30	77.97	69.12	18.41
Feb. 5	89.42	78.14	68.84	18.45
Feb. 4	89.31	78.25	68.74	18.23
Month ago	91.13	81.79	69.20	18.73
Year ago	92.33	100.42	63.76	19.73
High, 1942	93.50	83.71	71.01	18.86
Low 1942	88.35	76.85	68.18	18.19

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Feb. 10	41.9	58.6	53.0	73.00	52.29
Feb. 9	42.2	58.9	53.3	74.02	52.50
Feb. 7	42.3	59.0	54.4	74.72	52.50
Feb. 6	42.3	59.2	53.6	74.72	53.18
Feb. 5	42.3	59.5	53.8	75.40	52.67
Feb. 4	42.5	59.4	53.8	75.45	52.74
Month ago	42.4	60.4	54.4	75.02	54.70
Year ago	50.1	58.6	55.8	66.66	77.43
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	41.9	58.6	53.0	73.00	52.27

Company Reports

Brockville Trust

Earnings of Brockville Trust and Savings Co., Brockville, advanced some $3,500 in 1941 over 1940 but taxes increased $5,600 to drop net back to $2.71 a share from $2.91.

Estates under management rose over 5% on the year to almost $987,000. Guaranteed trust account shows a decline of $104,000 in deposits. Mortgages held are lighter by $97,000 while government bond holdings are also down.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	50,573	46,996
Less: Taxes	23,450	17,850
Net profit	27,123	29,146
Less: Dividends	28,750	28,750
Surplus for year	*1,627	396
Add: Prev. surplus	15,561	15,165
Surplus forward	13,934	15,561
*Deficit.		
Earnings per Share	$2.71	$2.91
Paid	2.87½	2.87½

Liabilities to Public
As at Dec. 31

	1941 $	1940 $
Deposits	566,276	670,440
Invest. certificates	277,200	291,200
Interest	3,590	3,548
	847,066	965,188
Secured by:		
Liquid assets	283,744	304,215
Mtges. & int.	563,322	660,973
Other net assets*	713,935	715,560
	1,561,001	1,680,748
Estates, etc.	986,977	927,223

*After deducting reserve for taxes and unrealized profits, reserve against mortgages, sale agreements and real estate held.

Eastern Canada Savings

Net profit of Eastern Canada Savings & Loan Co., Halifax, improved during 1941 to $7.51 a share from $7.15 in 1940, although taxes increased $6,000.

Real estate owned has been reduced nearly $26,000 through sales. Public investment in company debentures and savings deposits increased $68,000.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	112,852	101,787
Less: Taxes	35,065	28,773
Depreciation	21,430	19,367
Net profit	56,357	53,647
Less: Dividends	52,500	52,500
Surplus on year	3,857	1,147
Add: Prev. surplus	392	4,245
Less: Tsf. to res.	......	5,000
Surplus forward	4,249	392
Earnings per Share	$7.51	$7.15
Paid	7.00	7.00

Liabilities to Public
As at Dec. 31

	1941 $	1940 $
Debentures	2,840,925	2,884,869
Deposits	835,463	724,072
	3,676,388	3,608,941
Secured by:		
Liquid assets	761,872	578,905
Mortgages	4,009,378	4,089,058
Other net assets	74,387	106,371
	4,845,637	4,774,334

"Gibbons Knew Canada"

Advertising Pioneer Passes After Lengthy Illness

After 43 years as the head of his own advertising agency J. J. Gibbons died in Toronto last week. He had for years used the slogan "Gibbons Knows Canada." The slogan might well have been reversed, for in a life-time of continuous, restless travel around Canada, Mr. Gibbons had become a well known figure to everyone in business in this country.

Until recent years, when illness laid hold of him, Mr. Gibbons seldom missed an annual meeting of the Canadian Chamber of Commerce, the Canadian Manufacturers' Association and other similar national bodies. He had been president of, or an active directing force in such significant bodies as the Toronto Board of Trade, the Ontario Motor League, the National Institute for the Blind, the Canadian Red Cross Society, etc.

He seldom made a speech and did not always attend the luncheons, banquets and meetings at such gatherings. But he always exerted a great influence on the deliberations. Committee meetings would be held in his hotel suite where resolutions would be hammered out under the tap-tap of the suggestions that poured from his crisp and logical mind.

In the field of advertising he had been a prime mover in many national campaigns of industrial and financial houses, provincial and Dominion government's and patriotic bodies. His agency came in time to span almost the continent with offices from Montreal to Vancouver.

All this grew out of the modest activities of an office boy and messenger, born in Boston in 1877, who early came to Canada and became an advertising solicitor in the days when advertising was as youthful as John Joseph Gibbons himself. In the course of his life, Mr. Gibbons pioneered many of the techniques that have become an essential part of modern merchandising.

A grave disappointment darkened Mr. Gibbons last days. Last fall his youngest daughter was married and he was unable to be present at the ceremony.

A few weeks ago the Gibbons headquarters in Toronto were moved to new offices. A suitable office was prepared for "the Chief" but he never entered it.

A RESPONSIBLE CANADIAN MANUFACTURER offers the use of his SALES AND SERVICING ORGANIZATION

● This organization has been established fifteen years, having an excellent sales organization in Toronto and Montreal. It has installed thousands of its own product in Canadian homes as well as in chain stores, packing houses, and retail dealers. It has an excellent sales connection with department stores and in the province of Quebec, with the Power Companies. It has been, and is, a large supplier of Government requirements.

Its servicing organization is complete with an experienced personnel and carries a complete stock of parts at both branches, and each branch has a fully equipped repair shop.

It is prepared to take over full responsibilities of sales and servicing of any product of a kindred nature. On receipt of communication naming your product and outlining your present sales and servicing set-up, if interested our agents will arrange a personal interview. All communications will be treated strictly confidential. Address our advertising agency representatives—McConnell, Eastman & Company, Limited, 254 Bay Street, Toronto.

THE MONTREAL CITY *and* DISTRICT SAVINGS BANK

1846 1941

Ninety-Fifth Annual Report

TO THE SHAREHOLDERS. MONTREAL, FEBRUARY 9TH, 1942.

Gentlemen,

Your Directors have pleasure in presenting the Ninety-Fifth Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1941.

The net profits for the year were $388,461.23 and the balance brought forward from last year's Profits Account was $351,462.23, making a total of $739,923.46. In addition to the usual quarterly distributions to its shareholders, the Bank contributed from this amount $10,450.00 to various charitable and philanthropic Funds — independently of the amount of $10,150.00, interest on the Charity Donation Fund, distributed as usual — and has transferred $300,000.00 to the Reserve Fund, bringing the latter to $3,300,000 00, leaving a balance at the credit of undivided Profits Account of $149,473.46 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The Report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND, President.

GENERAL STATEMENT
DECEMBER 31ST, 1941

LIABILITIES

To the Public:		
Deposits bearing interest including interest accrued to date	$63,038,850.84	
Deposits not bearing interest	1,401,960.11	
Charity Donation Fund	180,000.00	
Other Liabilities	1,146,893.83	
		$65,767,704.78
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000.00), paid up	$2,000,000.00	
Reserve Fund	3,300,000.00	
Balance of Profits carried forward	149,473.46	
		5,449,473.46
		$71,217,178.24

RESOURCES

Cash on hand and in Chartered Banks	$8,150,655.13	
Dominion and Provincial Governments Bonds	38,010,904.58	
Canadian Municipal Bonds and Debentures	15,358,980.92	
Bonds of Canadian School Municipalities	184,358.76	
Bonds of Canadian Public Utilities Corporations	5,117,110.00	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collateral	2,997,931.61	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$70,208,941.00
Bank premises (Head Office and Branches)	1,000,000.00	
Other Assets	8,237.24	
		1,008,237.24
		$71,217,178.24

On behalf of the Board,
R. DANDURAND, President. T. TAGGART SMYTH, General Manager.

THE WESTERN ASSURANCE LIFE COMPANY

H. H. GRAY, *President and Managing Director*

Head Office, Pigott Building - - Hamilton, Ontario

Growing steadily – Growing solidly

Increase in new premium income
Increase in renewal premium income
Increase in interest returns
Increase in real estate income
Increase in reserves

The Company continues satisfactory progress; has doubled its business in the past four years.

Branches: Vancouver, Calgary, Edmonton, Regina, Winnipeg, Hamilton, Toronto, Guelph, Kitchener, Windsor, Sault Ste. Marie, Timmins.

The Windsor Market Heavily Reinforced!

Canada's Best Read Newspaper decisively smashes all previous circulation records!

Jan. 1942 Daily Average **52,154**

January 1941—Average 48,428.
January 1935—Average 44,680.
January 1930—Average 38,813.
January 1925—23,939.
January 1920—15,342.

Never before has the Windsor market been so good.
Never before have there been as many people living, working and making good money in Windsor!
1941 Census figures give Greater Windsor 120,766 population, and the entire market—Essex, Kent and Lambton counties—295,214.
The Windsor Star covers this market completely.
It does the selling job ALONE—at ONE cost.

The Windsor Star

6 Editions Blanket Windsor, Chatham, Sarnia Areas

Bond MARKETS

Request of President Roosevelt to Congress early this week to suspend operation of Section 7 of the Neutrality Act opens up important possibilities from the standpoint of Canadian bond sales. Under present restrictions the sale of Canadian war bonds is prohibited in the U. S. and abrogation of the mentioned clause would eliminate that condition.

However, should Congress grant the Roosevelt request there will be no effect on sale of the current Victory Loan. Under S. E. C. regulations an issue has to be registered or outstanding for a year before it can qualify for sale. This provision would temporarily eliminate sale of the present Victory Loan and also the first Victory Loan. The way would be opened, however, for sale of the first and second War Loans which have been outstanding for more than the required year.

This broadens the field for Americans who wish to subscribe to Canadian war bonds as they will now be in a position, assuming passage of the legislation, to buy our first and second War Loans from Canadian holders and thereby allow the latter to use the resulting funds for investment in the new loan. For future loans registering with the S. E. C. would qualify them for sale.

* * *

Succession duties have recently been commented upon by officers of a number of trust companies. The imposition of Dominion succession duties last year put a very heavy load on estates. It has added to the necessity of keeping assets fairly liquid, either through insurance or bond holdings.

A one-man business worth $1 million as a going concern and valued at that for succession duties could hardly, after the owner's death, pay the duties required in cash and be sure of having anything left over for heirs. Continuance of the present situation, according to Irving P. Rexford, vice-president and managing director of Crown Trust Co., will mean ruination of the finances of many Canadian families now prosperous and productive.

Over the longer term the situation has a direct bearing on government financing for succession duties now make up a sizeable part of government revenues. On this point C. S. Hamilton, vice-president and joint general manager of Trusts & Guarantee Co., says:

"We have seen the doctrine of ability to pay stretched in its application to income tax and estate duties until it has reached the danger point. The heavy duties of the federal government, added to those of the provinces, may result in permanently decreasing the size of estates. The result must be a decline in duties which are now regarded as a stable portion of government revenue."

* * *

Acquisition of provincial and municipal revenues by the Dominion government was opposed this week in a brief sent by York County council to Premier Hepburn and to Ottawa. The council expressed fear that invasion by the Dominion of provincial taxation fields would become permanent like the Income War Tax Act of 1917.

The brief also points out that municipalities are required to provide public utility and other services to industrial plants either wholly or partially owned by the Dominion government without being able to levy local taxes.

It is declared that unless the Dominion government is willing to take over the cost of education and unemployment relief and all other charges to which the municipalities contribute, industrial properties in which the government is interested should be subject to municipal taxation, as the creation of such plants contributes to the cost of municipal services to the same extent as purely non-governmental industrial and commercial plants.

* * *

Question of tax exemption for state and municipal bonds in the U. S. is up for renewed discussion in American bond circles. At present the weight of opinion seems to favor subjecting future issues of both federal and local obligations to equal taxation. From the Canadian standpoint upshot of the controversy will be interesting. There is no similar situation here, no Canadian bonds are tax exempt, but removal of preferred tax-exempt issues from the American market may tend to improve interest in Canadian issues in that market.

Quebec to Abolish Tolls on Bridges

From Our Own Correspondent

MONTREAL.—Long a politically contentious subject, Quebec government has decided to abolish bridge tolls.

On and after April 1 use of all provincial bridges will be free. Holders of tickets will have their money refunded for the unused portion remaining after that date.

For year ended June 30, 1940, Quebec received gross tolls of $396,701 against $118,675 operating expenses—leaving a net $278,026 before allowing for maintenance and repairs.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

AVAILABLE IN THIRTY DAYS

OFFICE manager, accountant, corporation secretary, with twenty years experience in charge of such departments. Work involving manufacturers' costing preferred. Present employment will terminate upon sale of business. Reply Box 232, The Financial Post, Toronto.

City & District Bank Expands

Deposits Show Further Gain in 1941. Profits Well Maintained

From Our Own Correspondent

MONTREAL.—Montreal City and District Savings Bank's financial statement for 1941 reveals maintained earning power and a further expansion in assets.

During the year profit was $388,461 and the surplus after dividends, $108,461. This contrasted with $391,852, and $111,852, in the preceding year.

At the end of December, assets totalled $71.2 millions, against under $70 millions the end of 1940.

Moderate Changes Noted

There was an expansion of cash on hand to over $8.1 millions; government bonds to $38 millions, while call loans and municipal bond holdings recorded a moderate decline.

Interest - paying deposits were over $63 millions, as against $61.9 millions at the end of 1940. Deposits not bearing interest show a moderate advance at $1.4 million.

Profit and Loss Account
Years Ended Dec. 31

	1941	1940
	$	$
Profit for year	388,461	391,852
Less: Dividends	280,000	280,000
Donations*	10,450	12,000
Surplus	98,011	99,852
Add: Prev. surplus ..	351,462	251,610
Less: To reserve	300,000	......
Surplus forward	149,473	351,462

*Including $10,000 being interest received from charity donation fund.

Maritime Tel. Breaks Records

Operations in 1941 Set New Highs Reflecting Wartime Activity

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports 51,434 telephones in service as at Dec. 31, 1941, a net gain of 4,816, or 10.3%.

The gain was largely in the industrial and transportation centres. According to J. H. Winfield, the outlook now indicates still further substantial growth.

To meet the heavy traffic increase substantial additions to plant were made. Plans are now being made for a large building in Halifax to accommodate a new long distance exchange. A new dial exchange at Halifax, was placed in service last July. This brought the number of dial exchanges in operation to four, and a fifth will be required in the near future.

Equipment for the first unit to provide dial service for Sydney is now on order. It is not expected that this can be obtained and installed before the end of 1943 at the earliest.

Edwin A. Hill Joins Draper Dobie & Co.

Edwin A. Hill has been made a general partner in the Toronto stock exchange firm of Draper Dobie & Co. Other partners are Draper Dobie, H. W. Knight, H. W Knight, Jr. and G. W. Gooderham.

Montreal City Reports Surplus

From Our Own Correspondent

MONTREAL.—The city of Montreal reported surplus of $1,018,282 for the six months of the current fiscal year ending Oct. 31, 1941. During the same period, net debt was reduced by almost $750,000 and bank loans by $3.5 millions. Total revenues for the half year were $26.6 millions, and expenses $25.6 millions.

Bonded debt at the end of last October stood at $251.1 millions, as against $253.5 millions on April 30

Accounts receivable from the provincial government were $759,664 on October 31 compared with $5.3 millions the same date of the previous year.

Temporary bank loans which totalled $28.2 millions Oct. 31, 1940 were reduced to $24.7 millions on the same date last year.

Unemployment cost the city $351,194 for the first six months of the present fiscal year, in comparison with $721,970 for the same period in 1940-41.

Collection of taxes showed marked improvement. Collection of the real estate tax up to Oct. 31, 1941, was 84.17% compared with 82.97% for the period last year.

Quebec Power Shows Growth

From Our Own Correspondent

MONTREAL.—Record activity in all branches of company operations is reported by James Wilson, president, Quebec Power Co., in his 1941 report to the shareholders.

The company now serves over 57,000 customers in 98 municipalities, an increase of four in the number of municipalities served and 2,139 in the number of customers in the year.

During the year, the company acquired a distribution system of 22.75 miles which supplies light and power to rural communities in Bellechasse and Montmagny counties Acquisition of this system completes the inter-connection of the lines between Levis and Riviere du Loup.

Output of the gas division was greatly increased during the past year, due to the industrial demand. Total sales were 395 million cu. ft., an increase of 21% over 1940. Gas customers the end of 1941 totalled 10.683, as against 10.558.

Tramways and buses carried more passengers during 1941 than any other year.

PUBLIC TRANSPORTATION IN WAR TIME

FACTS YOU SHOULD KNOW

TRANSPORTATION FOR WAR INDUSTRIES

Public Transportation must provide adequate facilities for workers to reach their place of employment quickly and as conveniently as possible.

That is the primary duty of the Transportation Commission. It is an absolutely essential part of the war effort.

WHAT ARE THE LIMITATIONS?

Here is What Authorities Say:—

On Friday, January 30th, 1942, Hon. C. D. Howe issued this statement:—

"The demands of war will not permit the diversion either of men or of materials to extending existing transportation facilities. The situation can best be met through the willingness of the public to co-operate in staggering the traffic and so reducing the load on these essential services at peak hours."

Mr. W. J. Lynch, Transit Controller, of the Department of Munitions & Supply, stated:—

"In addition to the increased load now on the transportation facilities, other factors will throw an additional burden on the transportation companies in future. These include the curtailment in the use of the private automobile, the impossibility of obtaining sufficient additional buses and tramway rolling stock, and the reduced supplies of materials, including copper and rubber, required for the repair and maintenance of both buses and street cars."

THE PRESENT POSITION OF PUBLIC TRANSPORTATION

Here is What Authorities Say:—

Mr. Charles Gordon, Managing Director of the American Transit Association, stated as long ago as September, 1941:—

"A drastic shortage of public transportation facilities in many American cities is practically certain to develop this fall and winter. Unless some remedy is found, there just won't be enough street cars and buses to move all the workers and shoppers who want to ride during the rush hours. The number of people using public transportation is rising faster than transit companies can secure new vehicles to accommodate them."

Mr. W. J. Lynch, Transit Controller for Canada, stated on January 30th, 1942: —

"The transportation problem in many cities and munitions centres is becoming acute, and the chief remedy for the situation lies in the further extension of the system of staggered hours throughout business and industry.

"Despite the great increase in the wartime demands on their services, urban passenger transportation facilities have so far managed to meet the emergency. But for the future, the increasing shortages of materials and manpower, coupled with the intensification of the industrial effort, will make their problems increasingly acute."

Competent Authorities in Akron, Ohio, the centre of the tire industry of the U. S., state: —

"It is possible and entirely probable that 25% of the 27 million passenger cars registered in the U. S. A. may be withdrawn from operation for lack of tires by January, 1943. The figure of 25% is a minimum estimate. Some say 40%."

There is no reason to think these percentages would differ in Canada.

Joseph B. Eastman, Director of the Office of Defence Production, stated at Chicago on February 4th, 1942: —

"When local transportation facilities are completely mobilized for defence, the civilian engaged in non-defence work may have to depend on his feet to take him places."

"Travel for mere pleasure or sight-seeing must also be curbed."

WHAT WILL IT MEAN TO YOU?

There will be a DEFINITE SHORTAGE, not of public transportation itself, but a shortage of CONVENIENT and COMFORTABLE transportation, the kind you have been used to, the kind of transportation WHEN AND WHERE YOU WANT IT.

Just as you have to get along in wartime with less sugar, less rubber, fewer radios, automobiles, silk stockings, and hundreds of other items, just when you would like them, there will be less transportation in proportion to the people who want it, and less chance of getting a comfortable ride. You may have longer to wait to even get on a car. Cars will be more crowded than ever unless you can travel in non-rush hours.

To some extent you are already experiencing this shortage now.

Will Transportation be Rationed?

We don't expect it here, but that method is already in effect in many English cities.

Waiting for a bus or tramcar has become so long that war workers have been issued priority cards entitling them to be the first to board the vehicle when it comes along.

There has been considerable difficulty, however, in the blackout periods in enforcing this method.

What the Transportation Commission Will Do

Do our utmost to meet the increasing demands for riding, particularly from war industries.

Continue to operate in the rush hours every vehicle that can be run.

Continue to build up the service as required during mid-day and evening for those who can avoid the rush hours.

Co-operate with you in adjusting our transportation services to the needs of your business.

But Please Remember —

WARTIME TRANSPORTATION WILL NOT BE PEACETIME TRANSPORTATION

TORONTO TRANSPORTATION COMMISSION

The Editorial Page . .

We Need More Ships

The Minister of Munitions and Supply says Canada's output of merchant shipping is expected this year to total almost as much as that of the shipyards of Great Britain.

This is gratifying and reflects great credit upon H. R. MacMillan and Wartime Merchant Shipping for their speedy and efficient organizing of the shipyards of Canada.

Mr. Howe's statement must, however, be considered in relation to all the facts. One reason why Canada is matching British merchant cargo ship output is that about 80% of the shipbuilding capacity of the United Kingdom is necessarily devoted to construction of warships and to conversion and repair. With the remaining 20% Britain is building somewhere between a million and a million and a half tons of ships a year.

The Allied shipping situation is none too encouraging. The two-ocean war and the stretching of the distances over which men and supplies must be carried have increased the pressure on the seas. Hitler's renewed submarine campaign is striking hard at us at a time when the demand for shipping has jumped sharply. The losses in January — 74 ships—were alarmingly high and recall the bad months of last spring.

The United States has an enormous programme of shipbuilding, promising some eight million tons this year, but even that will be insufficient to meet the needs of the situation. The programme of the United Nations will have to be expanded mercilessly; not an easy task in view of the shortage of steel and of rolling mill capacity to produce the plates.

More Practical Education

Canadian industry will welcome the announcement of Dr. H. J. Cody that the trend of the University will be toward more practical courses. In his tenth annual report on academic work at the University of Toronto, President Cody stated that education at all stages in the future may well be related increasingly to the ordinary practical activities of life. The aim would be to teach the student to fend for himself.

Dr. Cody believed that the new trend would prove particularly valuable in the post-war period with the University acting as a training ground for civil servants. He said:

"It is probable that, to a larger extent than in the past, government supervision, planning and direction will continue, but will be defined not as intrusions into, but as co-operation with the individual and commercial world. The state will thus need officials who have knowledge, experience and probity."

This may prove to be very true but we believe that private business and private industry will offer a still wider field if the University graduates have the practical training which Dr. Cody emphasizes. In the past too high a proportion of graduates have been given a general arts course with the result that their training and degree have proven to be more ornamental than useful when they came to the practical test of making their own living.

There should be no clash between cultural and practical ability. Back in the middle ages many of the old monasteries skilfully combined the two and we think our Canadian educational authorities might do well to heed their example.

Blackout Wastage

A lot of money has gone into blackout materials in the central areas of Canada in the last few months that might better have been put into War Savings Certificates. Invested in the latter it would have been put to work in making munitions to help win the war, as actually spent it simply encouraged production in direct competition with our war factories.

We have just so much productive capacity in this country and if it has to make black paper, black paint and black wallboard, it means that there will be fewer tanks, fewer shells and fewer planes. The sooner we learn this fundamental fact, the sooner we will win the war.

So far, in our blackouts and general ARP work in inland Canadian cities, we do not seem to have appreciated this fact. There has been a waste of materials, labor and enthusiasm, largely because leadership, planning and co-ordination have been lacking. A continuance of this confusion is bound to be harmful and may bring into ridicule what should be an important part of our war effort.

In order to bolster war morale, blackouts quite properly have a place anywhere in Canada. Then again some day an odd enemy suicide raider may actually get over Montreal or Ottawa or Fort William. In such a case there would be some advantage in having a big city darkened. But this can be accomplished by the average family by simply turning off his lights until the danger or demonstration is over.

It is not necessary to purchase a lot of material to cover up windows. An hour or two sitting quietly at home in the dark is not much of a sacrifice; in fact it may provide the average citizen with an opportunity to meditate on the good fortune that has brought him or his forefathers to this continent.

Though some hysterical pessimists may not agree, the situation in inland Canada is entirely different from that of Great Britain. We do not need to even contemplate the continuous punishment of the kind meted out to London, Liverpool or Southampton. Those British cities are in the front line and at times were actually under siege. As part of their defense they maintain a constant blackout and the people have to learn to work and live under those blackouts. If that condition is ever reached in central Canada then our position will be well nigh helpless.

Fortunately, our job in this war is to whip the enemy while he is still thousands of miles away from our vital inland centres and to do that we must concentrate our war energy where is properly belongs. Senseless hysterics have no part in it.

People's Cash Builds Bren Guns

Some M.P.'s. are curiously misinformed. Hughes Cleaver, M.P., in a speech in Thorold, referred to the production of Bren guns "in that broken-down boiler factory in Toronto, in which we were told they could never make the Bren gun. It is now stated to be the largest individual factory producing automatic guns . . . in the world."

Bren guns are not being made in a "broken down boiler factory." The "largest individual factory producing automatic guns . . . in the world" is a brand new factory built and equipped by the Canadian taxpayer at a capital cost of many millions of dollars.

Mr. Cleaver expressed gratitude that the Bren gun contract had not been cancelled. But it was cancelled. In its original terms it was too scandalous to be continued. It was a contract that would have given people who held an option on a "broken-down boiler factory" millions of profit on the capital investment needed to be made by the taxpayers of Canada before a single part could be made for the first gun.

Must Get Tough With Rationing

Before this war is very much older Canadian authorities will have to become a lot more realistic about rationing. There will be much less said about what we may have to do and much more about what has been definitely and finally decided. The totalitarian powers have not wasted any time pleading with their peoples to go lightly on gasoline or sugar. Orders were curt and clear from the start. We're going to have to get tough too, and in the long run we may find that getting that way is more fair just as we already know it is more efficient.

We pussyfooted with gasoline last fall and we are doing almost the same thing with sugar right now. Results in both cases have been identical. Warnings and rumors only led to runs and confusion with both those commodities. The situation was aggravated instead of improved. In these two cases the honor system of rationing has not worked, and compulsion appears the only alternative.

If there are fewer civilians running around with automobiles in Canada now than a year ago it is not the result of voluntary conservation of gasoline, but because gas costs more money and people are afraid of wearing out tires that they know cannot be replaced.

In a land of plenty like Canada, compulsory rationing may be a bitter pill to swallow, but we cannot afford to waste a lot of time putting a sugar coating on that pill. The faster we get it down, the better we fight and the sooner we get back to good living again.

Insurance Fights Inflation

In its fight against inflation the government has found a potent and fully developed ally in life insurance. Drastic regulations and arbitrary new powers have been unnecessary in this case. Here was a tool already fashioned, already functioning. It was ready for instant use in war in a wartime economy just as it had long been used in peace.

Hundreds of millions of dollars from earnings of Canadian citizens, have been piped via life insurance companies into the public treasury for direct support of the war effort. In the process the age-old practice of thrift has been encouraged and the age-old temptation of wasteful or dangerous spending has been removed.

This war role of the life insurance companies was admirably described by Arthur B. Wood, president of the Sun Life Assurance Company in his annual address in Montreal this week. Said Mr. Wood:

"Life assurance is based upon the principle of thrift and by its normal activities aids the government in its campaign to inculcate the principle of savings in the minds of the people. To the extent that the life companies succeed in persuading people to assure their lives, and in particular, that section of the public in the lower income brackets and others who probably would not become purchasers of government bonds, they exercise a powerful influence in the control of inflation. The money placed in life assurance causes a reduction in general purchasing power and so tends to prevent prices from rising."

The Sun Life, stated Mr. Wood, now has over $215 millions in government bonds of Empire and Allied countries. Those of the Dominion government make up the greatest single total with almost $85 millions. American government bonds purchased by Sun Life amount to over $53 millions; United Kingdom $47 millions, and of other British Empire countries, $32 millions. Through their life insurance policies citizens of the Allied democracies have most substantially supported the fight for freedom and they have a huge stake in the final victory.

Editorials in Brief

The Winnipeg Free Press calls the plebiscite "an unheroic expedient."

That makes practically unanimous the public's disapproval of so humiliating a side-stepping of governmental responsibility.

* * *

Sir Robert Holland, in an address in Toronto this week, called for "a spirit of alarmed urgency." He was referring to the dangerous strategical position in the Far East that the United Nations find themselves in.

But "a spirit of alarmed urgency" toward the whole war challenge would be helpful in Canada.

* * *

In one of the last lists of war contracts issued by the Department of Munitions and Supply there appeared under the heading of Shipbuilding an award of $10,000 to the Seminaire de Quebec. We can quite understand that there must be a certain amount of secrecy maintained in regard to all war contracts, but there is bound to be a quite natural curiosity on the part of the general public as to the story behind this award. The Seminaire is a splendid Quebec religious institution. Recently the Department of Munitions and Supply discontinued the practice of publishing lists of war contracts.

* * *

Wheat was described by one of the grower delegates to Ottawa last week as one of the first war casualties. This is not correct unless we add to the war period those uneasy years between Hitler's rise to power and his invasion of Poland. Canadian wheat was a victim of the wave of acute and absurd nationalism which swept over Europe in the last two decades. As the Edmonton Journal points out "a real solution of the country's wheat problem depends on a decisive Allied victory and on the freeing of the world's trade channels from the obstacles placed there in pursuit of the policies of economic nationalism that have had such disastrous results."

* * *

Saskatchewan wheat pool profits last year amounted to almost $3 millions after the usual depreciation. Had the pool been an ordinary private grain company the public treasury would have been enriched to the extent of over $1.5 million in income and excess profit taxes. But being classed as a "co-operative." the pool paid exactly nothing.

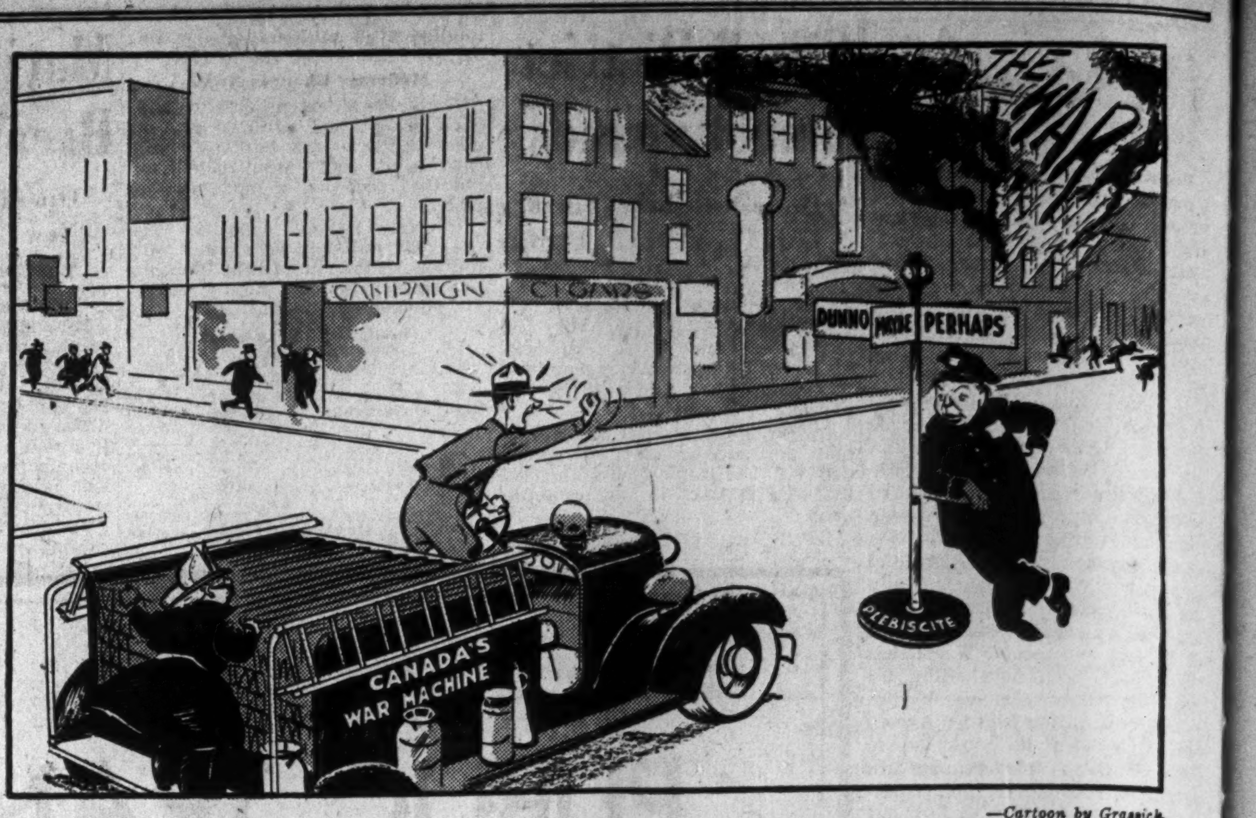
The prairie wheat pools are competing directly with private grain companies which must and do pay full national taxes. They are performing a service not one whit different from that of their competitors. Long before this the Dominion Department of Finance should have stepped in, ended this absurd and unfair discrimination, and stopped a very substantial leakage in taxes.

* * *

A lot of nonsense is published about Russia's "scorched earth" policy of last fall. Factories, towns, public utilities, even crops were destroyed by the retreating Russians, we were told, in order that they might not be used by the Germans.

But now that the Russians are reoccupying a part of the area they lost, Stalin's news dispatches report no further damage than the normal damage occasioned by military operations. The only authoritative report of "scorched earth" operations seems to be the blowing up of the Dnieper River dam.

Eve Curie is writing a series of dispatches from reoccupied Russian towns and she reports most of them intact except for war damage and some deliberate destruction by retreating Germans.



—Cartoon by Grassick.

"With respect to any expression of view which may be made by the people in connection with any reference which will be made to them, may I say in seeking to get relief from past commitments I am not going to begin by making new and fresh commitments."—*Prime Minister King in reply to question as to his policy following the plebiscite.*

Post-Scripts . . . .

Honors Oil Man

Long one of Canada's outstanding oil men, J. M. Pritchard has at last stepped into the eminence rightly his in accepting the presidency of the McColl Frontenac Oil Company. An oil man since his early days, he has been content to develop the business, while others held the prominent executive posts. Now he himself sits as chief executive.

"J. M.," as he is known from coast to coast, first saw the light of day at London, Ontario, on July 2, 1888. He completed his education at Wesley College, Winnipeg, and entered the Bank of Commerce, in the same city. He was only in the banking business about three years, but he has time and again expressed gratification at having had that experience. Indeed he has admitted that much of his success is due to the training the bank gave him, and the perspective achieved there.

J. M. PRITCHARD

His first venture into the oil business was when he was made manager of the Winnipeg Oil Co. This was followed by appointment as manager of the British American Oil Co. at Ottawa. Then in 1921, he was appointed manager for the Province of Quebec for "B-A."

These jobs had been routine in character, yet had served to prove him the sales executive, the business getter. Now Mr. Pritchard was to be revealed for the first time as an oil financier. He made a deal with the Tideoute Refining Company of Pittsburgh, to open a business for them in Canada. He commenced operations in Ontario and Quebec, and made a go of things from the very start. In fact, so phenomenally successful did the new deal reveal itself in a short time, that the Tideoute interests found Mr. Pritchard one day at their front counter with an offer to buy them out. The deal seemed satisfactory to the Pittsburgh people, and so Mr. Pritchard became boss of his own company in Canada. Next, the Frontenane Oil Company, bought out the Tideoute firm, which was by now owned by Mr. Pritchard.

Now comes a spectacular oil merger. Frontenac found itself with a refinery but no outlet for its products. On the other hand, McColl had distribution facilities but no refinery. It was the old story of each having what the other lacked—and wanted. So as 1927 got well into its 300th day, the two firms got together, and on Jan. 1, 1928, the new McColl-Frontenac Oil Company Ltd. began selling oil, gasoline and kindred products.

But it needed more than a mere merger to make a firm successful. What it took, actually, these past 12 years, was J. M. Pritchard. Two years ago, McColl-Frontenac bought out the Texas Co. of Canada, which operated mainly on the prairies.

One must not imagine "J.M." as a man who has his nose to an oil grindstone, and who never looks up from it except to cut a coupon. On the contrary, he is a great sportsman. In his early days he played hockey on the prairies, and in his later years, he has been "angel" for more than one football team in Montreal. One season he was successful in getting his team called the Indians, and they wore the McColl Frontenac advertising symbol on their jerseys all across the gridirons of eastern Canada as they represented the city of Montreal. It was astute advertising, advertising that only a man like J. M. Pritchard could get away with. As late as last fall, you probably would find out that the same man was dipping down into his pockets once in a while, to help out some team. He is an incurable sports fan.

* * *

Canadian Newsman

Clifford A. Prevost, Washington correspondent of the Detroit Free Press, has been inducted as president of the National Press Club. This wouldn't call for comment in this "Postscripts" column if it were not for the fact that Cliff Prevost was born in Canada and got his start in journalism in this country.

Even that fact probably wouldn't rate mention of Mr. Prevost (we're more interested in Canadians who make good in Canada than in Canadians who make good in the States) if Malcolm W. Bingay, editor of the Detroit Free Press, hadn't written a brief biography of Cliff Prevost in his paper. In that thumbnail sketch, Bingay (who is better known to his readers for the column he signs "Iffy, the Dopester" than for his less serious contributions to the editorial page of the Free Press) remarked that Prevost learned all there was to know about journalism in Canada "which never was much and is not now."

Bingay himself was born in Canada.

* * *

On Air Council

A unique honor and distinction has come to Terry Sheard. Though a civilian, he has been made a member of that august body, the Air Council of the R.C.A.F. In succession to Air Commodore S. G. Tackaberry he becomes the Council's Air Member for Supply.

It was in the spring of 1940 that Terence Sheard was borrowed from his peacetime job as Assistant General Manager of the National Trust Company to become Executive Assistant to the Deputy Minister for Air. The Deputy at that time was James S. Duncan. Mr. Sheard's chief responsibility since that time has been the British Commonwealth Air Training Plan. The extraordinary success which has attended that part of Canada's war effort is in no small measure a credit to Mr. Sheard and those with him who have worked long and hard to achieve not only the original goal (which in itself was no mean accomplishment) but to push that goal higher and higher to meet new needs and demands.

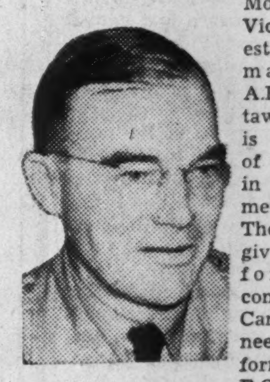
Terry Sheard was at university when the last war broke out. He was given his second year (modern history) when he enlisted and after the war returned to university for two years in order to graduate. His ambition was to be a learned counsel of the law. With this in view he went to England for further study. He came back to Canada and went into partnership with Gordon Balfour, K.C., of Toronto. But the fruits of a counsellor's career in law seemed long in ripening. He joined the National Trust Company, spent five years with the company in Montreal, then returned to Toronto. At the outbreak of war was Assistant General Manager.

In his present job, Mr. Sheard is responsible for the operation of three Supply directorates: procurement of aircraft, which includes everything that goes aloft in a plane to make it fly, from navigation instruments to engine; procurement of equipment, including everything from shirts, socks, to bombs and parachutes (one exception is food, which is under the Army Service Corps except for general supervision); directorate of Supply administration, dealing with maintenance of supply depots, supply statistics, motor transport, etc.

Quiet, soft-spoken, Mr. Sheard has no fears about holding his own with Air Force "brass hats."

Air Engineer

One of the three men to receive the coveted Julian C. Smith medal at the Engineering Institute of Canada meeting last week in Montreal was Air Vice Marshal Ernest Walter Stedman, O. B. E., A.R.C.Sc., of Ottawa. The award is in recognition of "achievement in the development of Canada." The award was given in this case for exceptional contribution to Canadian engineering, in the formation of the R.C.A.F.'s engineering network.



E. W. STEDMAN

It would take a very long paragraph to describe the various honors which have come to 54-year-old Air Vice Marshal Stedman. He was born at Malling, Kent, and from the moment he started his secondary education in a combined workingshop and technical school, high honors came his way. As a youngster he won the Whitworth Exhibition and free scholarship, giving him entrance into the Royal College of Science at London. After gaining the Bayliss prize for the highest standing in the qualifying examinations for associate members of the Institute of Civil Engineers, he spent a year at City Guilds College, London, and simultaneously launched his military career by joining an artillery unit of the University of London Officers' Training Corps.

On graduation he went to work as a draftsman with J. I. Thornycroft & Sons, Southampton, and a year before the Great War broke out was appointed scientific assistant in aeronautics at the National Physical Laboratory, Teddington. At the outbreak of war he joined the Royal Naval Volunteer Reserve as a lieutenant attached to the Royal Naval Air Service. On the formation of the R.A.F., he was appointed major and a month later, lieutenant-colonel with O.B.E.

After the war he was appointed chief of the technical staff of Handley Page Ltd., London. In this capacity he came to Newfoundland in May, 1919, to take charge of the company's entry for the £10,000 prize put up by the Daily Mail for the first transatlantic flight by a heavier-than-air plane.

Stedman remained on this side of the Atlantic most of that year and came to Canada in July, 1920, shortly after the creation of the Air Board. He was given charge of the technical directorate responsible for stores, supplies and contracts.

He joined the Canadian Air Force in January, 1921, and the R.C.A.F., on its formation in April, 1924. He has been chief aeronautical engineer and is now member of the Air Council for Aeronautical Engineering.

Other People's Views . . . . .

The Canadian Editorial of the Week

Try This, Mr. King

Picton (Ont.) Gazette

Submit a plebiscite to parliament. See how many members will vote to release you from your no-conscription promise. It won't cost much and will be as valuable as the present proposition.

* * *

As Others See Us

Wealth Conscription Myth

Hamilton Review

Everyone knows that conscription of man power can mean only one thing. No one knows what conscription of wealth means. We do not know, and while far from being against the idea that such a phrase conveys, we cannot help but echo the question posed by The Financial Post. The Post, of course, is casually regarded as speaking for "the big interests." It asks: What are the "wealth-conscriptors" talking about?

In so many words it points out that the wealth of the nation is its factories, farms, homes, furniture, and other material possessions. But it wonders whether the "wealth-conscriptors" are thinking in terms of money in bonds, shares, savings bank accounts and insurance policy reserves, which are "the paper expression of the tangible wealth behind them."

Conscription of the nation's wealth in either of these forms would, it points out, "be going a little further than even Karl Marx suggested, or Russia ever attempted."

In presenting this view of The Financial Post we do not suggest that it condemns any proposed plan for the conscription of wealth. But it does indicate the necessity for a clear understanding of what is meant by the term. Without being expressed in stated terms, defining its extent and its limitations, the phrase "conscription of wealth" is a political catch-phrase.

* * *

Bankers Go to War

Victoria Times

The banks boys are doing their bit in this as they did in the last war. A Financial Post survey shows 20 per cent of the male employees of Canada's banks have already enlisted. Returns from eight of the ten chartered banks show that of their total of 17,151 office employees, 3,370 are now in the army, navy or air force. Enough to form more than three infantry battalions or man 500 bombers.

* * *

Where Is Surplus Power?

Brantford Expositor

Writing in The Financial Post, A. D. Ellwood says: "Ontario's Hydro-Electric Power Commission has some substantial blocks of power that it can expect to be available later in 1942 to help meet next fall's peak load, but there is reason to doubt if new power supplies will be adequate to meet the probable increase in demand."

Yet, ironically enough, it was not so long ago that some papers, The Expositor included, were soundly berated in certain political circles for having the temerity to say that the repudiation of power contracts was a shortsighted policy. At that time we were told that Ontario had far too much power!

* * *

Why Confuse Issue

Fort William Times Journal

With the conscription issue before the people of Canada for solution by ballot it does not seem a proper time to confuse the issue and the electorate with talk about the conscription of wealth. The leaders of certain groups in the House of Commons persist in bringing this matter of conscription of wealth up at this time and referring to it as something that is of pressing importance in this hour of trial and peril.

The Financial Post, which of course sees things from an altogether different angle, has the following to say on this matter:

"It would seem to us that Ottawa has done a reasonably thorough job of conscripting the wealth already. Income taxes have been increased to sacrificial levels. New succession duties have been added by the Dominion to the formerly very heavy provincial levies. Taxes on the income of business have been multiplied several times by the increase in corporation tax and the imposition of the so-called 'excess profits' tax. If this is not effective conscription of wealth what is it?"

Under the present system the government is directing the war effort and is finding the sinews of war by taxation and by inviting loans from the citizens of the country. If by conscription of wealth is meant the actual taking over of all industries and plants it would mean that an army of bureaucrats would be in charge of industry instead of the men now in charge—men who are experienced and know how to direct such enterprises.

The lion's share of what in normal times would be net profits now goes to the government. The chances are that under full government ownership and control the national exchequer would not be as well off as it is under present conditions.

* * *

Stop Me If . . .

Jimmy, 6, youngest of eleven children, was taken to the hospital to see his father who was quite ill. Jimmy was quiet, almost reverent, until time came for him to leave. Then he tiptoed up to the bedside and whispered in his father's ear:

"Kin I see the baby now?"

Sayings of the Week

"Must we in Canada wait until every person agrees that the government in its good time take action?"—*J. E. Diefenbaker in the House of Commons.*

* * *

"The price of victory at best will be high. The people of the democracies will pay that price, knowing it is the only way to save their freedom."—*Wendell L. Willkie.*

* * *

"The civilian must begin to realize that if we are to win this war, he must punch holes in his belt back to his spine and be prepared to draw it up to the last hole."—*G. C. Monture, Assistant to Canada's Metals Controller.*

* * *

"I believe it would be a national calamity if Arthur Meighen were returned to public life by South York."—*Hon. Harry Nixon, Provincial Secretary for Ontario on the eve of the by-election this week.*

* * *

"If voluntary saving can be carried out with the wholehearted support of the entire population, there is little doubt that it can achieve results which only a ruthless scheme of compulsory saving could match. It is this which gives such importance to the Victory Loan campaign this month."—*Dr. W. A. McIntosh, Canadian Chairman, Joint United States-Canada Economic Committee.*

Hard on Retailer

Trail Times

The appeal to housewives to act as police for the new price ceiling order is galling to self-respecting merchants who are co-operating magnificently in the plan to keep down the cost of living and so prevent inflation.

The Financial Post, in a recent editorial, points to the injustice of this policing policy and declares that "businessmen, particularly retailers, will have their burdens increased by sincere, well-meaning, but misguided consumers who will see in every price fluctuation a criminal attempt to evade the law."

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.

JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6. Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
Ottawa: 260 Irving Ave. (Tel. 8-0847); Kenneth R. Wilson, Resident Correspondent.
New York: 522 Fifth Ave.
Chicago: 309 West Jackson Blvd.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

Can and Will Synthetic Rubber Help?

Here Are Sober Facts About a Much-talked of Enterprise

By R. C. STARK

Official clamps put on rubber production have caused many a motorist to cast a worried look at his wearing tires, many a golfer to heave a sigh over the vanishing supply of golf balls.

For such as these, hope gleamed in the mid-January announcement of Jesse Jones, U. S. Secretary of Commerce and Federal Loan Administrator, of a $400 million synthetic rubber programme designed 18 months hence to end the U. S. rubber shortage, a great step forced by dire need as 97% of U. S. rubber needs come from the Far East.

Can such a huge programme be carried out in such a short time? What progress has been made so far by the synthetic rubber industry? What is Canada doing on the question?

Hon. C. D. Howe a few days ago followed the American lead and announced the Canadian government will embark on synthetic rubber manufacture from petroleum. Base plant will be at Sarnia, oil pipe-line terminus, and production is forecast in 15 months. Unofficially, the programme is expected to cost $40 millions which would probably mean production capacity of some 25,000 tons.

Synthetics Not New

Whether or not the American $400 millions programme aimed at giving a production of 400,000 tons by mid-1943 can reach its mark is a matter for considerable conjecture.

Synthetic rubber is no Johnny-come-lately to the industrial field. Germany has been pushing its development for a decade but, despite the Reich's need and German industrial talent, production there is estimated at 60,000 tons annually. About the same figure is believed the limit for Russia.

In 1939 the U. S. produced 2,000 tons, in 1940 about 5,000 tons and last year 12,000 tons were turned out. Before the huge expansion plan can even get underway sites for new plants must be selected, many buildings must go up and be equipped. There must be a terrific joint effort by the rubber, petroleum and chemical industries. Priorities for steel must be arranged, a vast amount of electric power will be required. Synthetic rubber processing calls for huge quantities of chemicals, oils and fats. When production is finally attained, many rubber manufacturers will have to take time, possibly many months, to get acquainted with the proper technique in using the new material.

Problems Many

Bound up with the whole question is a longer term problem. Up to now the industry has been proceeding with synthetic rubber development in a quiet orderly manner. Big expansion now might mean loading up these companies with huge plants that would eat their heads off in overhead, actually hamper development of the industry. On the other hand, big volume should bring prices away down, put synthetic rubber on a basis more nearly competitive with the natural product.

The Jesse Jones programme envisages bringing price for synthetic down to 30 cents a pound from its present mark of around 80 cents. Natural rubber sells for 22½ cents currently, for long periods has sold below 10 cents and dipped below three cents in 1932. On the other hand, crude sold as high as 73 cents a pound as recently as 1925. In 1916 it sold for 72½ cents. Prior to the first Great War rubber went up over $2.

Synthetic Misnomer

Trade technicians call the term synthetic rubber a misnomer, prefer "elastomer." No synthetic has natural rubber's chemical and structural composition. Actually there are about 29 substitutes being produced with rubber-like qualities. Generally speaking the synthetic product can resist age, sunlight, heat and oil better than natural rubber.

Of all the varieties, probably most used to date is DuPont's Neoprene, derived from acetylene and first marketed in 1931. Neoprene has gradually been spreading its field and is now used in many washers, gaskets, seals and such in oily machinery, in gasoline hose and gloves for the chemical industry.

Other well-known synthetics are Goodrich's Koroseal, noted as shower curtain material, Goodyear's Chemigum, DuPont's Thiokol and Union Carbide's Vinyon.

Buna Boom

Heaviest development now, however, will go into the butadiene types of synthetic rubber. Butadiene can be derived from potatoes, coal, molasses, grass — almost anything with a hydrocarbon content — but best of all from petroleum. Final product of this type of synthetic is Buna, and it was on Buna tires that the German legions rolled into Paris.

Leaders in the butadiene type of synthetic rubber output are Goodrich with its "Ameripol" product, Standard Oil of New Jersey with a plant at Baton Rouge, and Firestone Tire & Rubber.

Just how good Buna tires are has not yet been publicly proved. Germans claim their brand wears 35% better than rubber, a statement discounted by authorities on this side of the water. Present belief here is that artificial rubber tires will stand up at least equally as well as those made from natural rubber although a few wrinkles may still have to be ironed out.

One problem that will confront the oil refiners with synthetic rubber production on a large scale arises from the fact that in processing, butane comes before butadiene. From butane the much-wanted 100 octane aviation fuel is derived. How to supply this base material for synthetic rubber production without cutting into the supply available for aviation needs is a question that will have to be worked out.

English Views

Holding a big stake in the natural rubber industry English sources have been professing no great concern over the possible inroads synthetics might be able to make. Typical of English opinion on synthetic rubber and how the natural rubber industry should meet the situation is comment in London Investors' Chronicle:

"The possibility of a fall in the price of natural rubber, it is clear, is the Achilles heel of America's synthetic industry. Although it is probably true that that industry has now come to stay, whatever happens, the moral to the natural producer is clear. The lower the price of natural rubber, the stronger the bargaining power of its producers . . . Every step that can be taken to reduce the price should be taken.

"In addition every step which can be taken to find new uses for rubber—much is, of course, already being done in this matter—will also help. If the problem is tackled on the right lines we may conclude that while synthetic rubber has come to stay, there is no reason why the plantation industry must regard its advent as catastrophic."

Possibilities Vary Widely

Forced development of the synthetic rubber industry under war conditions may send it jumping over years of more leisurely peace-time work to make it a prime economic factor. Wild-eyed expansion may just as easily leave that industry in such an over-inflated state as to make it easy prey in post-war competition. Before production on a large scale can be attained a vast number of problems affecting a wide range of industries will have to be worked out. Under the projected $400 millions programme the guiding authorities will risk a grim decision on whether steel and chemicals should go into a synthetic rubber plant or into tanks, guns and shells.

The Week in Business

Railways continue to set the pace in measuring the growth of Canada's industrial war effort. Carloadings for January were 17.8% above the first month last year. Gross and net revenues for the two Canadian rail systems show an even greater percentage gain than do carloadings.

Retail and wholesale sales indexes for December are both far above December, 1940, the former 16.3 points and the latter 13.6 points. December, with Christmas shopping, shows a large gain over the immediately preceding months.

Country store sales show the same trend, December sales up 14.4% from a year ago.

Automobile sales in the closing month of 1941 were again down. Domestic sales were off 17.8% for all of 1941 and from 1940, but trucks and buses last year showed a gain in domestic sales of 19.7% and in factory output of 56.1%.

Flour production in December was up about 100,000 bbls. from Dec., 1940. For the year gain was 32.5% at over 20 million bbls.

Cattle and hog sales start off 1942 with large gains, the former at 110,276 head is up 31.7%, and the latter at 603,915 head is up 13.4%.

Coal production in Canada for December at 1.8 million tons was up about 120,000 tons; the year's production at 18.2 millions is up 3.3%. Coal imports are somewhat above domestic output in tonnage, show gain of 24.3% for the year.

MONTHLY INDICES

	Jan.	Dec.	Nov.	Oct.	Year Ago
The Financial Post business index	....	*160.9	164.8	168.0	152.9
National Income, D.B.S.•	....	456.4	442.3	440.9	427.7
Dom. war expend.•	....	124.4	120.0	111.2	84.5
Dom. total revenue•	....	111.5	108.4	104.7	65.7
Dom. total expend.•	....	168.0	170.3	165.8	110.2
▪Retail sales index no.	....	147.2	138.1	138.0	130.9
Dept. store sales index no.	....	145.8	137.6	136.5	132.2
▪Wholesale sales index no.	....	136.9	147.4	170.5	125.0
▪Country store (% change pr. yr.)	....	+14.4	+5.0	+8.1	+3.8
Divd. payment index♦	121.3	120.3	119.3	118.5	119.5
COST OF LIVING—					
D.B.S. index	....	115.8	116.3	115.5	108.0
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	167.6	165.8	139.2
Manufacturing	....	......	187.6	185.0	144.6
Payroll index (a) (1937=100)	....	....	186	189	145
			Jan. 1 to date		%
RAILWAYS—	1941-42	1940-41	1941-42	1940-41	Change
▪Carloadings (week Jan. 31)	62,331	53,600	296,566	251,848	+17.8
▪C.N.R. gross (week Jan. 31)	$ 9,687,000	7,028,000	25,967,000	20,927,000	+24.1
▪C.P.R. gross (week Jan. 31)	$ 7,127,000	4,964,000	18,660,000	14,685,000	+27.1
▪C.N.R. net revenue (Dec.)	$ 6,260,450	6,273,550	66,608,340	45,007,411	+48.0
C.P.R. net revenue (Dec.)	$ 5,090,750	4,806,206	45,957,536	35,639,438	+28.9
IRON AND STEEL—(December)—					
Pig iron production (tons)	148,377	110,477	1,364,334	1,168,894	+16.7
Steel ingots and castings prod. (tons)	218,611	188,420	2,411,887	2,014,172	+19.7
AUTOMOBILES—(Number)—					
Passenger Cars:					
▪Domestic sales* .. (Dec.)	3,875	8,775	83,650	101,789	—17.8
Factory output .. (Dec.)	6,651	11,653	94,045	110,019	—14.5
Trucks and Buses:					
▪Domestic sales .. (Dec.)	2,214	2,145	34,432	28,763	+19.7
Factory output .. (Dec.)	13,662	11,711	176,386	112,999	+56.1
Financing:					
Used (Dec.)	$ 1,709,776	2,650,533	48,882,297	41,762,396	+17.0
New (Dec.)	$ 1,390,091	2,841,821	34,809,863	33,473,397	+4.0
CONSTRUCTION—					
Contracts awarded (Jan.)	$ 12,880,900	26,579,800	......	......	—51.7
Cement prod., bbls. (Nov.)	663,332	643,522	7,987,357	7,271,232	+9.8
AGRICULTURE—					
▪Flour prod., bbls. . (Dec.)	1,175,267	1,076,132	20,069,445	16,254,921	+23.5
Flour exp., bbls. ... (Dec.)	930,236	345,611	11,439,191	6,970,902	+64.1
Wheat exp., bush. .. (Dec.)	18,271,042	11,762,411	196,646,340	139,169,671	+41.8
▪Cattle sales▲ (Jan.)	110,276	83,707	......	......	+31.7
▪Hog sales▲ (Jan.)	603,915	532,259	......	......	+13.4
SEA FISHERIES—‡					
Catch cwts.▲ (Nov.)	934,600	907,100	10,421,100	10,487,800	—0.6
Landed value (Nov.)	$ 1,438,200	886,000	24,489,030	17,122,300	+43.0
NEWSPRINT—					
Production, tons .. (Dec.)	300,823	252,897	3,425,865	3,418,803	+0.2
Exports (Dec.)	$ 14,042,000	12,394,000	154,356,000	155,877,000	—0.9
MINING AND OILS—					
▪Coal prod., tons ... (Dec.)	1,794,973	1,671,095	18,155,447	17,566,884	+3.3
▪Coal import, tons .. (Dec.)	1,833,483	842,407	21,808,861	17,546,107	+24.3
Gold rec., fine oz. . (Dec.)	401,716	415,065	5,081,480	4,965,128	+2.3
Crude oil, imp. gals.† (Nov.)	150,609	168,003	1,509,261	1,407,107	+7.3
ELECTRIC POWER OUTPUT—(December)—					
Total monthly, 1,000 kw.h.'s	3,220,800	2,584,341	33,445,360	30,080,248	+11.2
FOREIGN TRADE—♦					
Imports (Dec.)	$125,779,166	102,302,476	1,448,685,117	1,081,950,719	+33.9
Exports (Dec.)	$152,091,112	98,710,660	1,640,454,541	1,193,217,592	+37.4
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Dec.)	139,542	190,249	2,282,132	2,451,638	—6.9
Shoes, prod. pr. ... (Nov.)	2,935,564	2,230,387	29,910,628	24,216,363	+23.5
Cotton consump., lb. (Dec.)	16,150,612	16,182,308	198,389,402	191,300,836	+3.7
Raw rubber imp. lb. (Nov.)	5,506,997	11,311,687	142,685,655	97,452,005	+46.4
Cigarette cons., No.† (Dec.)	720,022	574,837	8,581,739	7,571,841	+13.3
Sugar manufactured .. lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (Dec.)	$ 3,686,546	3,208,348	39,242,957	34,437,475	+13.9
Bond sales† (Dec.)	$ 92,473	329,809	2,360,181	2,293,415	+2.9
Life insurance sales (Dec.)	$ 47,172,000	33,727,000	428,915,000	365,217,000	+17.4

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ▪
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. *Final. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

Ploughshares to Swords

Process of shifting Canada's vast steel trade from peace to war has now been almost 100% completed. Typical is the Brantford plant of Cockshutt Plow Co. where a large area is now devoted to production of aeroplane parts

On the Record

Lloyd R. McKee, Sherbrooke, represents the W. P. T. B. for the Sherbrooke territory. E. E. Goodenough is local adviser and Louis Gaudreau as special investigator, on a part-time basis.

D. B. Racey, manager, Canadian Acceptance Corp. Ltd., Three Rivers, named local representative of the W. P. T. B., Maurice Fortin, managing director, J. L. Fortin Ltd. named local adviser.

Nelson Young, assistant director, Plant Products Division, Dominion Dept. of Agriculture and Fibre Flax Administrator, appointed Seeds Administrator under the Agricultural Supplies Board and Wartime Prices & Trade Board.

Ledger Drolet, proprietor, Boulangerie Nationale, Quebec, appointed special adviser to the Administrator of Bakery Products.

Pleasure drivers in Canada may be allowed sufficient gasoline to drive 5,400 miles in a year. The allowance currently in Britain, 1,100 miles; in Australia, 1,000 miles and in New Zealand, 5,400.

Lists of individual contracts awarded, either as press releases or in printed form will no longer be issued by the Dept. of M. & S.

So much wind resistance is developed at 80 miles an hour by the average car that it is wasting 57.5% of its gasoline; at 70 miles an hour this waste is 43.8%, at 60 m.p.h. it is 33%, and at 50 m.p.h. it is 23%, according to the office of the Oil Controller.

Samuel Godfrey, president, S. Godfrey, Ltd., Toronto, named Administrator of Used Goods.

Canada's population at June 2, 1941 was 11,419,896 compared with 10,376,786 at 1931 census. Redistribution on basis of 1941 census will reduce House of Commons membership by seven members.

At end of December 14,050 men and women were attending the 100-odd training centres established by War Emergency Training Programme.

Bermuda's imports from Canada **in 1941 were nearly 73% higher in value than in 1939.**

ESTABLISHED 1865

BRITISH TRADERS INSURANCE CO., LTD.

Merchants and Manufacturers hold this Company in high esteem.

HEAD OFFICE for CANADA, TORONTO, ONTARIO

COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

FIRE and AUTOMOBILE INSURANCE

THE TRUSTS and GUARANTEE COMPANY, LIMITED

Summary of Affairs as at 31st December, 1941

BOARD OF DIRECTORS

Chairman of the Board
HERBERT BEGG

President
ARTHUR F. WHITE

Vice-Presidents
COL. THE HON. H. A. BRUCE, M.D., F.R.C.S. (Eng.)
C. S. HAMILTON
H. A. HOWARD

Directors
W. M. ARCHIBALD
W. D. BELL
G. P. CAMPBELL, K.C.
F. J. CRAWFORD
THAYER LINDSLEY
JOHN A. McDOUGALD
J. BRUCE McMARTIN
GORDON W. NICHOLSON
LT.-COL. W. E. PHILLIPS
COL. S. C. ROBINSON
MAJOR EDMUND SWEET, K.C.
COL. ERNEST WIGLE, K.C.
E. GORDON WILLS

General Managers
C. S. HAMILTON, Toronto, Ont.
H. A. HOWARD, Calgary, Alta.

SHAREHOLDERS' CAPITAL AND SURPLUS invested in:

Office Premises	$ 61,724.65
Mortgages, Agreements For Sale	523,788.29
Bonds, Stocks, Debentures	379,328.24
Loans on Stocks, Bonds, etc	72,920.63
Real Estate Held For Sale	221,353.10
Advances to Estates	82,232.45
Other Assets	78,984.12
Cash	213,552.03
	$ 1,633,883.51

SAVINGS AND TERM DEPOSITS invested in the following ear-marked securities:

Mortgages, Agreements For Sale	$ 6,110,848.75
Bonds and Debentures	2,264,630.90
Loans on Bonds	40,446.31
Cash	571,466.32
	$ 8,987,392.28

ASSETS OF ESTATES, TRUSTS AND AGENCIES under administration by the Company	$39,690,765.11
TOTAL ASSETS	$50,312,040.90

Copy of Annual Report Supplied on Request

OFFICES
TORONTO BRANTFORD WINDSOR WINNIPEG CALGARY

4-42

CANADIAN WRIGHT LIMITED

Exclusive Agents in Canada For Wright Aeroplane Engines

ASSEMBLING OVERHAULS
GENERAL SERVICE

HEAD OFFICE AND WORKS
6259 Notre Dame St. East, MONTREAL

BIG BUSINESS!

The Canadian farmer today has taken on the biggest production job in his career . . . a job that calls for supplying $180,000,000 worth of farm and dairy produce to Britain in 1942 . . .

That's another indication of how rural Canada is fast becoming the nation's most important market.

Are You Covering It?

Why not investigate the tremendous sales possibilities of the Family Herald and Weekly Star . . . As Canada's ONLY national farm magazine it reaches more than 300,000 farm homes from coast to coast.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

WAR-TIME CONTROL OF EXPORT TRADE

In the calendar year 1941, Canada's exports of merchandise reached a total value of $1,621,000,000—the highest value on record.

The sheer size of this trade is noteworthy—but, in the present circumstances, the **direction** and the **character** of it are much more important.

Today, Canada's exports must satisfy two searching tests:

(1) They must be destined to those markets where, directly or indirectly, they will contribute most to the fighting strength and support of the democracies.

(2) They must consist in the highest degree of the kinds of products that represent the most effective use, for war-time purposes, of the steel, base metals, timber and other raw materials consumed.

A major part of the purpose for which a wide measure of export trade control has been adopted by the Dominion Government, is to ensure that these **tests of character and direction** shall be applied to Canadian export shipments in a systematic way.

Thanks to the co-operation of business interests throughout the Dominion, Canada's export trade has been forged into a powerful instrument of economic warfare, and has at the same time advanced to a level which surpasses in value all figures previously recorded, whether in time of war or in time of peace.

The year 1942, will, of necessity, be another year of vigilant trade control and trade restriction. The closest co-operation of all concerned will again be a war service contribution of vital importance.

DEPARTMENT OF TRADE AND COMMERCE

HON. JAMES A. MacKINNON, M.P. *Minister* — Ottawa — L. D. WILGRESS *Deputy Minister*

TC 440

RECORD PROGRESS IS SHOWN BY MUTUAL LIFE OF CANADA

Large Volume of New Insurance Carries Total Business in Force Past $600,000,000. Assets Now Over $200,000,000. — To Invest $15,000,000. in New Victory Loan.

During 1941 the total of assurances in force with The Mutual Life of Canada passed the $600,000,000 mark, while assets increased to more than $200,000,000, R. O. McCulloch, President of the Company, informed the seventy-second annual meeting of policyholders at Waterloo. Assets have doubled in the twelve years since 1929, with an increase equal to the total growth in the previous sixty years of the Company's history, Mr. McCulloch declared.

MANY ON ACTIVE SERVICE

The increase was especially creditable in view of the fact that it was accomplished by a smaller number of full-time agents, a substantial number of the agency force now being on active military service, he said.

Increased business activity and widening employment have tended to increase life insurance sales. The necessary emphasis placed on savings in war-time, and recognition by the public that life insurance is a most effective instrument for saving, have also supported this trend.

$15,000,000 FOR NEW VICTORY LOAN

The Company had already played a substantial part in assisting Canada's war effort through its investments in War Loans and other Government securities, and would continue its efforts in this direction, Mr. McCulloch declared. The Directors had already decided to subscribe in the name of the Company for $15,000,000 in the forthcoming Second Victory Loan.

The increasing proportion of assets represented by Government Securities purchased at low yield rates would eventually have an adverse effect on the rate of interest earned by the Company, the President pointed out, though this tendency had so far been minimized by other advantageous circumstances. Steps had already been taken to prepare for future developments.

CANADA'S WAR ROLE

"Today Canada's role in the war is the foremost concern of all of us, and Canada's very heavy commitments in the cause of freedom impel every citizen and every institution in this Dominion to shoulder greater burdens in the defence of the principles for which we are fighting, so fundamental to our future welfare and to our very existence," Mr. McCulloch said. "Engaged as we are in a total war, and faced with the urgent necessity of increasing our efforts to the maximum, we must achieve the greatest possible production in war industries. When the whole world is at war, a nation cannot look to its allied neighbours for financial assistance, but must depend upon its own resources.

"With all the manpower of the nation employed, larger output of war weapons, accessories and supplies can only be obtained by the curtailment of the production of non-essentials. Despite the progress which we have made, greater efforts must still be forthcoming for the prosecution of the war, and all indifference and complacency must be eradicated. The funds necessary to supply the materials, equipment, food and manpower required by modern mechanized warfare are fabulous in comparison with previous wars, and the need for money increases in proportion to the intensification of our effort."

MUST SPEND $1,100,000,000 LESS

Although the total national income for 1941 would be over six billions of dollars, approximately 60% of this would be required by the Dominion Government, largely for war purposes, This would mean that the amount we would have left for ordinary civilian spending would be approximately $1,100,000,000 less than in 1938. A gratifyingly large proportion of the amount required for war expenditures was being acquired through taxation, but it was impossible to meet all our needs in this way. The only other methods open were by borrowing or by inflation. Recognizing the disastrous results of unbridled inflation, the Government had very wisely set a ceiling over prices, wages and salaries by Order-in-Council.

"These Orders-in-Council involve a very wide-spread control of our internal economy, and it is imperative, if inflationary forces are to be held in check, that these controls be given our wholehearted support," Mr. McCulloch warned. "This program for control of inflationary forces will, where necessary, have to be supplemented by rationing, and will require, all along the line, emphasis on saving and restriction of consumer purchasing. Never in our history has the need for the exercise of thrift and saving been so essential.

VITAL ROLE OF INSURANCE

"It is in this connection that life insurance is qualified to play an important part. Since its inception life insurance has demonstrated to the individual citizen that the security of tomorrow can only be achieved by the thrift of today. Hundreds of thousands have been converted to a plan of organized saving through life insurance. The result has been that, even during times of peace, much of the nation's development has been made possible by the accumulations of life insurance policyholders. In time of war, the savings play an even more important part. Life insurance has been the largest single subscriber to each of our three War Loans, and since the beginning of the war over $170,000,000 of policyholders' funds have been placed with the Dominion Government through its War Loans.

"For seventy-two years one of the main objectives of the field representatives of our Company has been to educate and influence those with whom they have come in contact to save and to provide protection for their dependents and themselves. Although advertising and campaigns in connection with War Loans and War Savings Certificates can do much to bring home to our citizens the necessity of exercising thrift in their personal living, still the accomplishment, so far, appears short of the objective. The life insurance man appears to have been trained for such a time as this. Budgeting of family income has been the subject of much research on the part of the modern, well-trained life underwriter.

"It will require consistent and patient labour, on the part of life insurance representatives and all others competent to advise the public generally in their monetary thinking, to bring about a national state of mind wherein all will assist cheerfully in avoiding what is probably one of the greatest hazards of the position in which we find ourselves, that is, our inability to reduce consumer consumption sufficiently and thereby release the necessary additional resources required to advance our war effort. It ought to be a source of satisfaction to life insurance representatives that they are privileged to serve their country during its time of need in this capacity.

SERVICES ACKNOWLEDGED

"It gives me a great deal of pleasure to acknowledge the splendid services of the office and field forces during the year, and I wish to express the thanks of the Directors for their continued industry, efficiency and loyalty.

"With the continuance of the war and its extension to all parts of the world, the need for sacrifice is greater than ever before. I am confident that the Canadian people, in the field, on the sea and in the air, as well as in the production of essential foods, equipment and materials, will abundantly display those attributes necessary to bring the struggle to a successful conclusion. This Company will continue to do its utmost in the heavy tasks which lie ahead."

GENERAL MANAGER'S REPORT

"The Seventy-second year of the Company's operations was a favourable one in all departments of its business," declared W. H. Somerville, General Manager.

"The aggregate face value of policies becoming claims by death, less the Reserves held in respect of them, increased by $107,594. The claims incurred were, however, well within the provision made for them; and the ratio of actual to expected claims increased by only .27%. Among the claims were 77 war deaths under which the total payments were $159,192.

"The two other factors which are important in contributing to favorable results in a Life Insurance Company's operations, namely, the rate of interest earned on invested assets, and the ratio of expense to total income were also closely in line with the experience of the preceding year. The rate of interest earned was 4.59% against 4.61% earned in 1940, while the ratio of expense to total income of 12.79% is slightly under the corresponding 1940 ratio of 13%.

RESERVES HIGHER

"Special Reserves and Surplus Funds of $16,269,126.86 are $1,022,137.43 larger than at the end of 1940. The increase in such funds in 1940 was $854,104.52. Included in them is the General Investment Reserve of $2,500,000, which is unchanged from the preceding year, and the Free Surplus for Contingencies, $7,660,133.38, which has been increased by $701,672.95. The total of the Free Surplus and General Investment Reserve has been progressively increased to keep pace with the growth in the Total Assets. The total of these two funds, $10,160,133.38, is now 4.90% of Total Assets. This ratio has not been exceeded in the last 10 years. The most important of the other items of Special Reserves and Surplus Funds are the provision of $3,500,000 for Dividends Payable to Policyholders during 1942, which is the same amount as was reserved for Dividends payable in 1941; and the Specific Reserve for depreciation in value of investments, $2,400,671.58, the latter having been increased by $390,585.87.

"The Gross Surplus Earnings of $4,673,459.84 were $69,875.86 greater than a year ago, and the net amount transferred to Surplus Funds, $4,081,390.97 was also somewhat greater. Variations in earnings over the past 10 years have not been wide.

"The increase in Income from all sources was $944,986.15, the main increase in Income being $403,594.10 from Interest, Dividends and Rents. Under Expenditures, total Payments to Policyholders and Beneficiaries were less by $796,863.85 at $17,261,770.48, the reduction being accounted for by a decrease of $1,174,090.99 in payments for Matured Endowments and Cash Surrender Values.

ASSETS INCREASE

"The increase in Assets of $10,857,056.56 compares with the former year's increase of $8,968,829. The principal increases were $11,977,090.66 in Bonds, and $1,238,305.15 in Mortgages and Sale Agreements. Preferred and Common Stocks represented 4.40% of Total Assets compared to 4.54% at the close of 1940. These Stocks, after deducting the Specific Reserves applicable to them, are carried at values no higher than the market on December 31st last.

R. O. McCulloch, President (*left*) and W. H. Somerville, General Manager of The Mutual Life of Canada, reviewed outstanding year of progress at the 72nd Annual Meeting of the Policyholders in Waterloo.

"Loans to Policyholders upon security of their policies continue to follow a downward trend, the decrease for 1941 amounting to $1,042,466.24 against a decrease in 1940 of $693,581.85.

"There is a decrease of $1,240,443.21 in Real Estate owned, other than Head Office, Real Estate offers accepted during 1941 numbering 402, and involving a total sale price of $1,962,202.

"The new Mortgage Loan advances made during the year amounted to $3,471,973.96, of which approximately $1,675,000 represented advances on National Housing Act Loans, in which our total investment at the close of 1941 was approximately $5,728,510.

"The increase in the Actuarial Reserve for Assurances and Annuities as computed on the basis set forth in the Actuary's Valuation Report is $7,410,572; while the increase in Amounts Left on Deposit with the Company is $1,919,548.23. Of the $25,726,058.47 of Funds Left on Deposit with the Company, $12,586,124.30 are Proceeds of Policies which matured or became claims by death, and $10,515,012.60 are Policyholders' Dividends left with the Company to accumulate at interest.

"Tables showing the 'Classification of Assets' and 'Distribution of Bond Investments' indicate that 60.8% of the Company's Assets are in Bonds; 18.3% in Mortgages and Sale Agreements; 11.6% in Loans secured by Policies; 4.4% in Preferred and Common Stocks; 1.9% in Head Office premises and other Real Estate; and 3% in Cash and Miscellaneous Items.

$87,307,157 IN GOVERNMENT BONDS

"Figures relating to the Assurance and Annuity Accounts have been presented in the Report of the Board of Directors, and do not require to be commented upon further beyond saying that the very excellent increase in Assurances in Force is a tribute to the efficiency of our Field Staff, a large number of whom are actively engaged in war service."

Analysis of investments showed that 60.8% of the Company's Assets are in Bonds; 18.3% in Mortgages and Sale Agreements; 11.6% in Loans secured by Policies; 4.4% in Preferred and Common Stocks; 1.9% in Head Office Premises and other Real Estate; and 3% in Cash and Miscellaneous Items.

The total of investments in Government Bonds is $87,307,157.

THE MUTUAL LIFE OF CANADA

Established 1869

HEAD OFFICE WATERLOO, ONTARIO

Canadian Public Served for 72 Years

Year 1941

Surplus Earned in 1941	$ 4,673,460
Total Payments in 1941 to Policyholders and Beneficiaries	$ 17,261,770
New Assurances Paid for in 1941 (Excluding Annuities and Revivals)	$ 54,107,966
Total Assurances in Force at End of Year (96.4% on lives of Canadians)	$609,364,194
Total Assets at End of Year	$207,462,475

Combined Profit and Loss and Surplus Account

Revenue Basis

For the Year ending December 31, 1941

(Including Group Accident and Sickness Branch)

SURPLUS FUNDS at December 31, 1940, consisting of:		
General Investment Reserve	$ 2,500,000.00	
Free Surplus for Contingencies	6,958,460.43	
		$ 9,458,460.43
INCOME		
Premiums for Assurances	$17,198,861.45	
Consideration for Annuities	1,215,001.83	
Interest, Dividends and Rents (after provision for possible future losses)	8,823,987.02	
Consideration for Settlement Annuities arising out of assurance policies	652,359.84	
Policy Proceeds, Dividends and Other Amounts left with the Company	3,998,148.63	
Net Profit on Sale of Ledger Assets and Foreign Exchange	134,943.87	
		$32,023,302.64
EXPENDITURES		
Under Policy Contracts:		
Death and Disability Claims	$ 4,594,770.06	
Matured Endowments and Surrender Values	5,763,976.63	
Annuity Payments	545,672.10	
Policy Proceeds, Dividends and Other Amounts Withdrawn	2,977,633.67	
	$13,882,052.46	
Taxes and Licenses	368,082.92	
General Expenses	3,215,273.47	
Net Amount by which Ledger Assets were written down	554,313.72	
RESERVES	$18,019,722.57	
Increase in Actuarial Reserves and Amounts on Deposit with the Company	9,330,120.23	
		$27,349,842.80
SURPLUS EARNINGS FOR YEAR		4,673,459.84
Special Charges:		
Increase in Specific Reserve for Depreciation in Value of Investments	$ 390,585.87	
Transferred to Staff Pension Fund	201,483.00	
		$ 592,068.87
Net Amount Transferred to Surplus Funds		$ 4,081,390.97
Total		$13,539,851.40
SURPLUS PAID OR ALLOTTED TO POLICYHOLDERS		3,379,718.02
SURPLUS FUNDS at December 31, 1941, consisting of:		
General Investment Reserve	$ 2,500,000.00	
Free Surplus for Contingencies	7,660,133.38	
		$10,160,133.38

R. O. McCULLOCH, *President* W. H. SOMERVILLE, *General Manager*

Mark 75 Years Operations In Canada

Northern Assurance Began in Canada at Time of Confederation

The Northern Assurance Co. this year completes 75 years business in Canada, the time of its operations in this country coinciding with Confederation. This year will also see some other anniversaries in the company's affairs for it marks the completion by Alex Hurry, Canadian manager, of 45 years in the company's service, and 20 years in charge of its Canadian operations.

In addition, R. O. Taylor, manager at Winnipeg and W. G. Gerrard, manager at Vancouver each will have 40 years service with the company.

The Northern was established at Aberdeen, Scotland in 1836, over 105 years ago.

Adhering to its motto of "Festina Lente," (Hasten Slowly), it built up its assets steadily, until today, they exceed $130 millions (at $5 equal to £1). For some years previous to Confederation, it had been operating on the Canadian west coast, but went into the Canadian field in 1867 in a comprehensive way.

Premium income has increased from slightly over $60,000 in 1875 to more than $700,000 in 1941. Total premiums of the Northern group were $1.2 million last year. In 1869 its total risk against fire was $2.7 millions; in 1941 $85 millions. During the 75 years it has borne a share of the loss of many of Canada's major fires such as Saint John, 1877; Hull, Que., 1900; Toronto, 1904; Ottawa Parliament Buildings, 1916; Saint John, 1931, etc.

Mr. Hurry joined the staff of the Northern at Aberdeen in 1897 working up to be chief adjuster of the casualty department at London, England. In the last war he served in France, returning to the Northern in 1919. In 1922 he became Canadian manager. He has been active in insurance work and plays golf and curls.

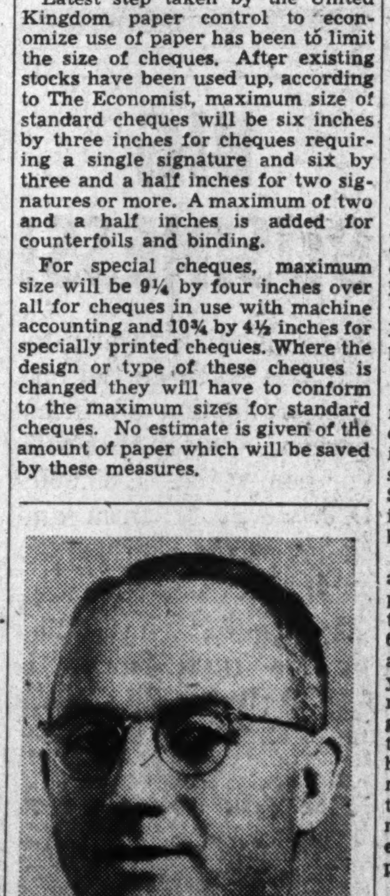
Mr. Taylor was born in Winnipeg and entered the company's service in 1902. Mr. Gerrard joined the company at Aberdeen in 1902 and in 1906 was transferred at his own request to Montreal. He later served at Winnipeg and Calgary before being moved to Vancouver.

U. K. Cuts Down Cheque Size

Marks Further Step in Reducing Paper Consumption

Latest step taken by the United Kingdom paper control to economize use of paper has been to limit the size of cheques. After existing stocks have been used up, according to The Economist, maximum size of standard cheques will be six inches by three inches for cheques requiring a single signature and six by three and a half inches for two signatures or more. A maximum of two and a half inches is added for counterfoils and binding.

For special cheques, maximum size will be 9¼ by four inches over all for cheques in use with machine accounting and 10¾ by 4½ inches for specially printed cheques. Where the design or type of these cheques is changed they will have to conform to the maximum sizes for standard cheques. No estimate is given of the amount of paper which will be saved by these measures.



PRESIDENT

Frank Robinson, of Montreal, has been elected president of the Life Underwriters Association of Canada for the coming year. Mr. Robinson is manager of No. 1 agency of the Mutual Life Assurance Co. of Canada at Montreal.

Life Insurance Contest — Problem 4

Insurance Programme For a Business Woman

Pension Plan With Insurance Feature Suggested to Give Security, Independence, Flexibility

This is one of the articles that won honorable mention in problem 4 of The Financial Post's insurance contest. The programme suggested by Morris Cooper is for "A single business woman, age around 30, now making $100 a month, with prospects of some increases. Has $700-$1,000 saved. Helps maintain widowed mother. Dependent on her own efforts. Her main object is to build up resources on which she can retire."

MORRIS COOPER

Mr. Cooper was born in Chicago and attended the University of Chicago, serving with the United States Army in the last war. In 1932 when he moved to Canada, he started selling industrial life insurance in Toronto. Four years ago he joined the sales staff of the Confederation Life. He has consistently attained membership in the Association's MacDonald Club for production leaders. He is a district organizer for the Cooper Fisher Agency of the Association's Toronto and Suburban Division, and this year is writing final examinations for the Chartered Life Underwriter's degree. Books, music and outdoor life are his favorite interests apart from the insurance business.

By MORRIS COOPER
Confederation Life Association, Toronto

Miss Brown, a business woman, age 30, asks: "What life insurance should I carry?"

A great many professional and business women like yourself, Miss Brown, find themselves in a similar situation. You have a double responsibility: the present obligation to your mother and your own future independence. There is an ideal solution to meet this twofold problem. An ingenious combination of deferred annuity with insurance protection has been devised and labelled "Insurance Pensions." Thousands of farsighted men and women: doctors, lawyers, merchants, nurses, teachers, secretaries, etc., have already adopted this type of security.

Let us examine your case more closely. If I can put myself in the "buyer's shoes," so I clearly understand your plans and problems, I am better enabled, as a life underwriter, to suggest an intelligent, practical programme to fulfil your aims and responsibilities.

First, there is your mother. Who will look after her if you die? No one else can do the job which you have so cheerfully undertaken. Yet the institution of life insurance holds the key to the reservoir of dollars which will project your income for your mother, should you not live to carry on yourself. Just how much money to cover this need, how payable and for how long, we shall discuss presently.

During the past few years you have accumulated enough money in the bank to provide what we call a "clean-up" fund. If you die before your mother, this fund will pay final expenses such as doctor bills, hospital, nurse, burial. It will enable mother to honor your outstanding commitments such as charge accounts, income taxes, war pledges, etc. There may be a few dollars left in the bank as a nest egg for emergencies.

If you survive your mother but do not live to enjoy the benefits of the insurance programme we are about to outline, the insurance money may be willed to someone, or you may choose to endow some charitable organization.

Let us turn to the more cheerful side of the picture and assume that you are going to live a long time. The main objective you have set for yourself is to strengthen your resources. Hand in hand with the independence you seek is a long range programme of thrift.

From an economic viewpoint you are now a consumer and a producer; You will remain a consumer even after you cease to be a producer. When the years roll by and your earning days are over, are you not going to need a continuous supply of money? Where will your dollars come from when you stop working? Here again, life insurance steps forward to serve you faithfully by a life-long agreement, a live-to-win proposition.

Use Flexible Plan

The "Insurance Pension" is flexible. It is constructed in units, each of which pays approximately $1,800 in cash or $10 a month life income starting on the pension date, or $1,000 (or the cash value, whichever is greater) if the policy owner dies before the pension date.

At your present age, by setting aside only 10% of your earnings (a premium of about $125 a year on three units of Insurance Pension at 60) you create an immediate insurance estate of $3,000, payable to your mother, if you do not live to retirement age. This is sufficient to guarantee an income of $30 a month to your mother for nine and one half years. Should she require a minimum of $40 or $50 a month, settlement can be made accordingly by means of a larger monthly cheque, extending over a shorter installment period.

Let this be the first step in your design for security. Within the next five or six years, as your salary warrants it, you can put on additional policies, until you own at least six units of Insurance Pension, totalling $6,000 insurance with a pension of $60 a month for life, or a maturity value of nearly $11,000 cash at age 60 (in lieu of the annuity income). Incidentally, you do not have to wait until 60 for your retirement income. An earlier date may be selected, by making an adjustment in the annuity payable when you decide that you are not going back to business any more.

Can Extend If Necessary

At this moment, according to your ambitions, $60 a month may not appear sufficient for retirement purposes. Perhaps it is not enough. But the plan is flexible. You may be able to acquire more than six units. Nevertheless, $60 a month is a big step toward comfortable security in later years and after retirement age you will probably require considerably less than the accustomed income during your active business career. Seven hundred and twenty dollars a year is somewhere between one half and one third of your earned income at its probable peak. Seven hundred and twenty dollars a year is also exactly as much income as you would receive if you owned $24,000 invested at 3%.

As compared with the average savings plan, for the same number of dollars saved from now to the day when you wish to retire, your insurance pension will at least equal, and in many cases better the return of any other thrift system offering the same degree of safety. In addition to this investment feature you have the vitally important insurance protection during all those years.

Need Safeguards

A very desirable safeguard should be considered at this point. Besides having the will to save regularly, you must have the health to work steadily.

Suppose some prolonged illness such as lung trouble, a heart condition, brain tumor, nervous breakdown, or a serious accident took you away from business at some most unexpected point in your career, what would happen to the average type of savings plan—who is going to carry on your good intentions? Of course we cannot control the whims of fate, but there is a way to prepare yourself against such financial disaster. In the insurance pension, a self-completing clause (disability waiver of premium) guarantees completion of your thrift programme, no matter how long you may be unable to work because of any disability resulting from disease or injury. Your insurance company, after a six-month waiting period, will finish the job for you when such misfortune intervenes, and the values in your policy are in no way affected.

The annuity feature of the insurance pension, using interest and capital, provides about three times as much income as conservatively invested capital at interest only will yield. If you prefer to do your own investing, you may do so by taking the maturity value in one lump sum. Should you do this, however, you expose yourself to a possible costly mistake. Furthermore, there would be a tendency to encroach on capital, which leads to the danger of dissipating your reserves. As an annuitant, you will have no reinvestment risks or expense and you cannot outlive the income. Any one of several installment operations on the pension date will guarantee your principal if death occurs shortly after the annuity payments have started.

Cash When Needed

Now, Miss Brown, you may ask, "What if I should suddenly need money in the future, possibly long before the maturity date?" Please remember that any time after three years' premiums have been paid, cash and loan values are readily available. This collateral feature improves upon payment of each subsequent premium.

Again you may ask, "Suppose I marry, might not my premiums be too heavy for my husband to assume?" Yes, that is a reasonable question. One of the main advantages of the insurance pension is that it can adapt itself to any such situation which may arise. You have a number of options to choose from. For example you may take a completely paid-up pension plan which, at retirement age will pay you a lump sum in cash amounting to more than the total premiums paid in. You may surrender your policy for cash, or if your husband is insurable, arrange with the company to transfer the insurance on his life, in your favor.

A word as to method of premium payment. Arrangements can be made to meet the premiums in whatever manner is most convenient to yourself, ranging from an annual basis to the monthly budget system.

Summing up, you will find the insurance pension the answer to the problem of complete freedom from money worries for yourself and for your mother. No matter what happens, whether you live or not, through health or disability, your financial aspirations will be realized.

Bank Deposits Rise Steadily

See Loans Ample For Victory Loan Success

Chief features in the return of the chartered banks to the Minister of Finance as at Dec. 31 are:

Increase in savings deposits over previous month and year.

Decline in current loans from the previous month.

Expansion in investments over previous month and year.

In spite of heavy withdrawals by depositors for investment in the Victory Loan last June, total savings deposits at $1,669 millions are now $27.7 millions higher than a year ago and only $26.1 millions under the figure of May 31, before the loan was offered. It is estimated the January statement will show this to have been more than made up. Savings depositors will apparently have just as great resources to draw on for the present loan as they had in June.

Reflects Higher Income

Rapidity with which the June withdrawals have been replaced, indicates how great a share of Canada's rising income is being saved.

Demand deposits in Canada are up $88 millions over November and $237.7 millions over Dec. 31, 1940. Total Canadian public deposits are up $118 millions on the month and $265 millions on the year.

Other Canadian deposits show a decrease from November, the Dominion government account is down $46 millions, but still $47 millions above last year. Provincial government deposits are down $7 millions on the month and $13 millions on the year. Foreign deposits were slightly higher.

Current Loans Down

Current loans in Canada, holding $85 millions above the level of a year ago, are down $45 millions on the month, a seasonal development due to many industrial and business firms reducing bank loans at the year end to show a more liquid position.

In most recent years current loans have declined in December compared with the end of November. Decline of current loans in December is normal, but larger than usual in 1941. This is probably partly due to government assistance in financing war orders and to firms using their own funds for immediate needs.

Canadian call loans continued to decline with the shrinkage in speculative activity. A tendency towards expansion evident a few months ago was short-lived and the trend more recently has been downward.

Municipal Loans Lower

Both provincial and municipal loans were lower than a year ago reflecting better tax collections and a tendency to reduce expenditures by both groups. Compared with the previous month provincial loans show an increase of $817,108.

With deposits increasing more rapidly than loans, The Financial Post Credit Index (ratio of current and call loans in Canada to demand and savings deposits) was lower on both the monthly and yearly comparison.

Cash position of the banks continued strong with cash on hand at the end of December up $13 millions on the month and $32.9 millions on the year.

Use of Bank Credits
(In Millions of Dollars)

	December 1941	November 1941	Change	December 1940	Change
Loans	1,201.1	1,253.8	—52.7	1,147.9	+53.2
Investments	1,759.2	1,689.6	+69.6	1,531.0	+228.2
Total	2,960.3	2,943.4	+16.9	2,678.9	+281.4
Deposits	2,937.5	2,819.4	+118.1	2,672.0	+265.5
Credit index*	37.9%	41.3%	—3.4%	38.8%	—0.9%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	December 1941 $	November 1941 $	Change $	December 1940 $	Change $
Immediately Available Liquid Assets					
Canadian coin	7,225,491	6,465,853	+759,638	6,584,010	+641,481
Bk. of Can. notes	116,345,699	88,406,759	+27,938,940	98,305,584	+18,040,115
Bk. of Can. depos.	232,031,085	247,104,634	—15,073,549	217,744,945	+14,286,140
Bank's cash	355,602,275	341,977,246	+13,625,029	322,634,539	+32,967,736
Other bank's notes	2,646,499	2,754,936	—108,437	3,976,614	—1,330,115
Gold, sub. coin abd.	3,166,680	2,968,184	+198,496	3,635,088	—468,408
Foreign banks	173,788,950	*188,338,084	—14,549,134	171,427,331	+2,361,619
Foreign curr.	31,067,254	33,612,381	—2,545,127	28,890,247	+2,177,007
Gov. sec. short term	792,655,363	750,762,865	+41,892,498	691,300,954	+101,354,409
Do., long term	723,274,221	697,787,472	+25,486,749	597,138,644	+126,135,577
Call loans abroad	47,646,830	42,399,307	+5,247,523	42,227,854	+5,418,976
	2,129,848,072	2,060,600,475	+69,247,597	1,861,231,271	+268,616,801
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	79,186,134	79,875,327	—689,193	92,295,345	—13,109,211
Public secs.†	75,159,966	70,829,544	+4,330,422	51,409,874	+23,750,092
Other secs.†	88,953,409	90,388,615	—1,435,206	98,868,256	—9,914,847
Can. call loans	31,860,588	35,613,383	—3,752,795	40,278,985	—8,418,397
Current loans	1,083,701,002	1,128,629,395	—44,928,393	998,674,961	+85,026,041
Loans abroad	136,210,337	127,762,390	+8,447,947	130,616,915	+5,543,422
Prov. loans	15,036,341	14,219,233	+817,108	16,521,348	—1,485,007
Mun. loans	70,526,467	75,384,511	—4,858,044	92,391,840	—21,865,373
	1,580,634,244	1,622,702,398	—42,068,154	1,521,057,524	+59,576,720
Other Assets					
Non-current loans	4,596,594	4,841,197	—244,603	5,985,754	—1,389,160
Real estate	6,489,938	6,576,034	—86,096	7,285,996	—796,058
Mortgages	3,381,901	3,406,450	—24,449	3,562,164	—180,263
Premises	69,388,155	69,300,024	+88,136	70,567,420	—1,179,265
Letters of credit	123,512,114	121,427,206	+2,084,908	67,548,645	+55,963,469
Loans to comp.	10,846,836	11,122,340	—275,504	11,116,432	—269,596
Other assets	1,928,153	1,886,897	+41,256	1,858,002	+70,151
	220,143,691	218,560,048	+1,583,643	167,924,413	+52,219,278
Total	3,930,626,007	3,901,862,921	+28,763,086	3,550,213,208	+380,412,799
Note circ. dep.	4,491,508	4,488,322	+3,186	4,832,516	—341,008
Int. bank bal.	201,482,716	154,757,268	+46,725,448	175,557,457	+25,925,259
Gross	4,136,600,231	4,061,108,511	+75,491,720	3,730,603,181	+405,997,050
LIABILITIES					
To the Public					
Circulation	73,204,656	79,200,600	—5,995,944	83,788,640	—10,583,984
Dom. Govt.	114,174,310	160,920,801	—46,746,491	66,239,172	+47,935,138
Prov. Govt.	52,832,857	60,757,746	—7,924,889	66,502,710	—13,669,853
Deposits by Public					
Demand dep.	1,268,471,475	1,180,230,578	+88,240,897	1,030,686,199	+237,785,276
Savings dep.	1,669,032,146	1,639,201,355	+29,830,791	1,641,313,845	+27,718,301
Total	2,937,503,621	2,819,431,933	+118,071,688	2,672,000,044	+265,503,577
Foreign dep.	462,044,432	453,688,616	+8,355,816	404,593,122	+57,451,310
Due to Banks Abroad, Etc.					
United Kingdom	19,164,019	18,264,063	+899,956	27,825,573	—8,661,554
Foreign	34,255,324	30,184,479	+4,070,845	26,522,199	+7,733,125
Bills payable	9,842	6,606	+3,236	16,974	—7,132
Letters of credit	123,512,114	121,427,206	+2,084,908	67,548,645	+55,963,469
Other liabs.	8,322,128	7,305,703	+1,016,425	6,403,681	+1,918,447
Total pub. liabs.	3,825,023,303	3,751,187,753	+73,835,550	3,421,440,760	+403,582,543
Due bet banks	13,951,324	11,550,328	+2,400,996	13,000,591	+950,733
Liability to Shareholders					
Dividends	1,489,177	2,280,865	—791,688	1,488,926	+251
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....

†Other than Canadian.

Bank of Canada Assets Rise

Holdings of Sterling Exchange Increase But Investments Are Lower

Further switching of assets of the Bank of Canada from investments into sterling and U. S. exchange is shown in the statement for the week ended Feb. 4. Decline in investments was $13.7 millions, the drop being entirely in short term issues. Holdings of the long terms increased slightly.

Holdings of exchange, presumably all sterling, rose $31 millions and miscellaneous assets, were $4.5 millions higher at $11.2 millions. Net result was an increase of almost $22 millions in total assets.

On the liability side, deposits were $17.6 millions higher, the increase being in deposits of the chartered banks and miscellaneous deposits. Higher bank deposits possibly represented proceeds of sterling accepted by the chartered banks and turned over to the Bank of Canada through the Foreign Exchange Control Board.

Note circulation was up $4.4 millions on the week.

	Feb. 4 1942 $	Jan. 28 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	481,664,105	477,231,892
Rest fund	3,722,910	3,722,910
Depos.: Dominion	37,801,765	40,511,149
Banks	200,401,585	189,562,728
Other	18,995,593	9,815,100
Total deposits	257,198,943	239,888,976
All other liabs.	9,590,913	9,444,388
Total liabs.	757,176,871	735,288,166
Assets		
In sterling & U. S.	305,778,791	274,696,841
Subsid. coin	412,960	409,167
Investments:		
Dom. gov. short	233,826,512	248,412,093
Other Dom. gov.	204,152,209	203,275,341
Total invest.	437,978,721	451,687,434
Premises	1,760,488	1,769,262
All other assets	11,245,911	6,725,462
Total assets	757,176,871	735,288,166

Weekly Bank Clearings

	Feb. 5 42 $	Change Year Ago %	Jan. 29 1942 $
Halifax	3,663,473	+19.3	3,199,568
Saint John	2,356,667	—7.1	2,334,413
Moncton	1,134,122	+34.4	1,107,831
Sherbrooke	1,202,812	+53.0	726,688
Quebec	6,067,542	+6.0	4,332,003
Montreal	128,380,831	+23.9	103,805,678
Ottawa	59,486,259	—14.2	41,226,699
Kingston	787,061	+5.6	705,450
Peterborough	612,177	—9.6	671,567
Toronto	150,928,689	+9.8	110,906,128
Hamilton	8,505,778	+0.5	6,264,411
Kitchener	1,341,239	+13.0	1,099,015
Brantford	1,067,479	+17.3	918,348
London	2,923,481	+3.9	2,204,649
Chatham	556,107	—19.7	701,188
Sarnia	522,927	+13.5	279,513
Sudbury	1,080,622	+13.4	1,275,815
St. Catharines	1,478,192	...	1,342,418
Fort William	1,049,572	+7.0	984,214
Winnipeg	40,003,833	+15.4	38,146,985
Brandon	503,531	+36.7	405,761
Regina	4,297,156	+11.6	3,899,144
Moose Jaw	747,593	+29.2	635,360
Saskatoon	1,632,650	+7.6	1,417,316
Prince Albert	515,963	+19.0	440,281
Edmonton	6,296,835	+37.3	5,007,252
Calgary	6,398,911	+13.6	5,598,964
Lethbridge	623,605	+11.2	577,233
Medicine Hat	344,322	+34.9	238,366
N. W'minster	882,626	+32.3	906,136
Vancouver	22,064,017	+11.6	20,685,732
Victoria	2,127,090	+8.0	1,668,873

Brompton Lays Plans Take Over Pulp Unit

Brompton Pulp & Paper Co. plans shortly to enter into possession of the properties of Lake Sulphite Co. and proceed with installation of necessary plant and equipment.

Toward the end of last month, the courts sanctioned the plan whereby Brompton acquired the property in return for $500,000 cash and $500,000 of general mortgage debenture stock.

Col. the Hon. E. W. Hamber (left) director of the Dominion Bank and D. E. Kilgour, president and general manager of the North American Life Association were elected directors of the Toronto General Trusts at the 60th annual meeting.

Monthly Bank Clearings

	January 1941 $	January 1942 $
Halifax	13,650,358	16,192,376
Saint John	9,432,339	9,968,490
Moncton	3,427,011	5,192,564
Sherbrooke	3,357,462	4,144,031
Quebec	19,995,466	21,938,398
Montreal	421,674,904	536,941,985
Ottawa	199,490,204	230,673,899
Kingston	2,874,984	2,874,984
Peterborough	2,570,396	3,276,512
Toronto	549,569,830	607,596,459
Hamilton	25,917,378	31,028,499
Kitchener	4,845,129	5,586,376
Brantford	4,232,718	4,697,964
London	11,883,741	12,292,886
Chatham	2,420,337	3,074,579
Sarnia	1,955,790	1,982,280
Sudbury	4,299,049	4,972,751
St. Catharines	......	5,794,319
Fort William	3,797,245	4,447,808
Winnipeg	158,721,421	189,437,558
Brandon	1,498,027	1,902,890
Regina	16,105,960	18,176,803
Moose Jaw	2,930,754	3,064,109
Saskatoon	5,858,024	6,974,899
Prince Albert	1,631,460	2,038,627
Edmonton	19,657,970	25,665,095
Calgary	25,442,847	28,432,423
Lethbridge	2,081,673	2,756,676
Medicine Hat	1,272,960	1,974,899

Victory Loan Affects Montreal Stock Trading

The year got off to a poor start on the Montreal Stock Exchange and Montreal Curb Market with only 157,993 shares changing hands in January. The figure was the lowest for any January since 1927. The next lowest figure was in January, 1932, when 168,162 shares were traded. Last month's total was the lowest since last June when the First Victory Loan was floated and compares with 245,583 shares in December.

One of the main causes of the slackness this year has been the preoccupation of brokers and their staffs with the new Victory Loan.

LIST LAKE ST. JOHN STOCK

Montreal Curb Market has called for trading 118 additional no par value common shares of Lake St. John Power and Paper Co.

No Action Taken On Beauharnois

No action has been taken by the Quebec government to implement legislation authorizing expropriation of the Beauharnois property, according to John S. Norris, president of Beauharnois Light, Heat & Power Co.

During 1941 the company spent nearly $3.6 millions for equipment, further dredging and remedial work. Expenditure was financed to the extent of nearly $2.6 millions through first mortgage bonds, the balance from cash resources.

Need $8 Millions

Two additional 50,000 h.p., 60-cycle generating units were put into operation. In order to bring the plant to its ultimate capacity of 650,000 h.p., there remains to be provided one 50,000 h.p. unit and additional dredging and remedial work estimated to cost $8 millions, financing of which remains to be arranged.

Beauharnois' deliveries to Ontario Hydro, under the long-term contract, were increased by 50,000 h.p in 1941. Other contracts with wartime industries for 40,000 h.p. were made. Mr. Norris states that power deliveries for use in wartime industries aggregated 127,000 h.p. at the end of the year.

PHOTOSTAT PRINTS
Commercial Photoprints Limited
24 Adelaide St. W., Toronto AD. 3441

The Chantecler
YEAR-ROUND RESORT HOTEL
STE ADELE EN HAUT P.O CANADA

Winter Holiday
Located high in the Laurentians, this luxurious hotel with new additions offers you the maximum in holiday pleasures. Ski school · ski-tows · flood-lit hills · spacious sun-decks and dancing in the Terrace Room. Restricted. Write for booklet—rates & reservations—THE CHANTECLER, Ste. Adele en haut, P.Q.

STEADY PROGRESS

Commenced Business August 20, 1920

	1940	1941
Total Assets	$9,713,600	$10,492,700
Policy Reserves	7,653,700	8,260,500
Total Income	1,446,600	1,453,000
Amount in Force	33,884,800	35,868,400

THE T. EATON LIFE ASSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA

1882 • MODERN FOR SIXTY YEARS • 1942

Sixtieth Annual Report

Estates Business Gains $7,000,000

THE TORONTO GENERAL TRUSTS CORPORATION

In these days of rapid and often unexpected developments, the value to you and your family of the services of this trust company lies in the fact that it is an incorporated business hedged about with safeguards devised by the law for the protection of estates and their beneficiaries. As a business organized for permanence it is not subject to the causes which affect the judgment and terminate the usefulness of individuals. It is available on any business day throughout the year and has the facilities and organization to administer estates to the best advantage.

Above and beyond this, this trust company embodies the principle of group judgment. Its services are co-ordinated under the supervision of senior officers who devote their whole time to the work and whose combined knowledge, judgment and experience are brought to bear on the problems of individual estates and trusts and who have behind them the full resources of the Board of Directors and Branch Advisory Boards.

The first trust company to be started in Canada, the Toronto General Trusts has now completed sixty years of continuous and successful estates management. It is on the basis of this long experience that the Corporation invites appointment as your executor and trustee. Your inquiries are cordially invited and will place you under no obligation.

Growth in assets under administration

1901	$20,000,000
1921	$120,000,000
1941	$248,000,000

60TH ANNUAL REPORT

The outstanding features of the annual report for 1941 are:—

NEW BUSINESS

The fourth largest year in new business received, amounting to $25,200,000.

ESTATES, TRUSTS AND AGENCIES

A net increase of $6,988,000 in the estates and agencies under administration. Assets in the hands of the Corporation now total $248,000,000, a new high.

STRONG LIQUID POSITION

A strong liquid position which protects Savings depositors. Easily realizable securities and cash amount to 86.4% of the Savings deposits of $6,791,000.

INCREASE IN SURPLUS

Earnings well maintained. Surplus carried forward was increased by $44,000 after the payment of dividends at the rate of 4% per annum, writing off $50,000 from Office Premises and allocating $95,000 to Tax Reserve.

HIGHLIGHTS

Mr. A. E. Phipps, President, in moving the adoption of the Report, said.:—

WAR PROSPERITY

1941 has seen Canada achieve what is nothing less than an industrial revolution under the pressure of the demands of mechanized war. The value of war contracts awarded and commitments made up to the end of 1941 amounted to $3,200 million; of this amount $1,300 million was placed on behalf of the British Government. Some 230,000 contracts were placed on Canadian account. The tremendous expansion of our industrial production and the corresponding rise in employment has naturally increased our national income and enlarged the volume of purchasing power in the hands of our citizens. Our national income, estimated at 5.3 billion dollars in 1941 was practically double the national income in 1933 at the bottom of the depression. We have had all the manifestations of business prosperity on a large scale.

SECOND PHASE

Up to the present Canada's productive capacity has, generally speaking, been sufficient to support an expansion both in the production of war materials and in consumers' goods. Further expansion is assured for the present year. Now, however, we are entering upon a second phase; the time has come when the production of consumers' goods must be held in check in the interests of our war effort.

PRICE CEILING

A price ceiling will not be sufficient in itself to stop a rise in prices; a reduction in public demand is essential. Unrestricted buying will tend to drive up prices and to exert heavy pressure on the controls. In Canada there is little likelihood of any real shortage of foodstuffs and Canadian industry should be able to satisfy all legitimate needs. If the public can be convinced of this they will be more easily persuaded to limit their purchases and to invest their surplus money instead in War Savings Certificates and Government Bonds.

(Continued in last column)

Mr. Charles McCrea, K.C., Vice-President, said in part:—

We are still in the throes of World War No. 2 and this is our third successive annual meeting since the conflict began. Once more your Corporation, notwithstanding the changes and vicissitudes in the business world, presents an excellent report to its Shareholders.

A LAND OF HOPE

I am still an optimist. I have always been an optimist. Optimism, faith and work have laid Canada's great foundations. Canada's builders were guided by these principles. This great country will stand out in the world of tomorrow as a great land of hope, initiative, enterprise, dare and adventure. Canada must plan for a greater development of our basic resources, for on these basic resources we must, in the main, rear our structure. Moreover, as in all past wars, convulsions in the old world have driven artificers, craftsmen, inventive genius, specialists of the various branches of the arts and professional world, from their habitats to a new land—a land of hope. Already in this war, war-torn Europe has sent to our shores great numbers of men of ability who are now contributing to our war effort and who, as newcomers, are destined to play an outstanding part in Canada's world of tomorrow.

MINERAL PRODUCTION

Canada's gross mineral production down to the end of 1941 totalled $9,179,000,000. Of this amount over $2,000,000,000 was produced in the years 1938 to 1941 inclusive; estimated mineral production for 1941 is $554,000,000.

In nickel, copper, aluminum, lead, zinc and necessary war metals, production has gone on without slackening. Our goldfields have provided Canada with needed United States dollars.

Mr. William G. Watson, General Manager, said in part:—

We have now completed sixty years since the founding of the Corporation in 1882 as the pioneer Canadian trust company.

In the 60-year period since the organization of the Corporation Canada accumulated by far the major portion of the material wealth which she possesses today, and in this development your Corporation has, through its enterprise and success in the care and conservation of assets of every kind, had a large and important part.

DOUBLE SUCCESSION DUTIES

Taxation for succession duties has become a major estate problem. When the Dominion Government last year super-imposed a Succession Duty Act on the respective Acts of the Provinces, it had the effect as regards Ontario of approximately doubling the amount of such taxes in connection with the average estate. The combined succession duties for an Ontario estate now range from 2% up to 70% of the estate, depending upon its size and the relationship of the beneficiaries.

REVIEW YOUR WILL

The situation, however, as it stands at present requires, in the interest of all concerned, that Wills relating to medium and large sized estates should be seriously and intelligently reviewed both for the protection of the estate and of the principal beneficiaries. In many estates substantial savings and practical readjustments can be made by constructive planning.

The Corporation has a department, which is competently officered, giving constant study to the problems of estate taxation based on our actual experience in these matters. These services are freely available to our present and prospective clients.

A copy of the Annual Report will be mailed on request.

TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY VANCOUVER

President A. E. Phipps
President, Imperial Bank of Canada

Vice-Presidents Charles McCrea, K.C.
Chairman, Board of Directors, The Mining Corporation of Canada, Ltd.

William G. Watson
General Manager, The Toronto General Trusts Corporation

Hon. A. C. Hardy
Senator, Dominion of Canada

Col. John F. Michie
President, Michie Co., Ltd.

Isaac Pitblado, K.C.
Director, Canadian Bank of Commerce

Paul J. Myler
President, Canadian Westinghouse Co., Ltd.

Hon. Albert Matthews
Lieutenant-Governor of Ontario

Charles S. MacInnes, C.M.G., K.C.

Alexander Fasken, K.C.
President, The Excelsior Life Insurance Co.

Charles S. Macdonald
President, Confederation Life Association

Arnold C. Matthews
President, Canada Malting Co., Ltd.

Arthur L. Bishop
President, Coniagas Mines Ltd.

Hon. G. Howard Ferguson, K.C.
President, The Crown Life Insurance Co.

W. Kaspar Fraser, K.C.
Fraser, Beatty, Palmer & Tucker, Barristers

Walter C. Laidlaw
President, R. Laidlaw Lumber Co., Ltd.

Aubrey Davis
President, Davis Leather Co., Ltd.

Brig.-Gen. C. H. Maclaren, C.M.G., D.S.O
President, The Maclaren Power & Paper Co.

Herbert Horsfall
President and Managing Director, Canada Wire & Cable Co., Ltd.

Charles S. Band
Vice-President, Gutta Percha and Rubber Ltd.

Col. The Hon. E. W. Hamber
Director, The Dominion Bank

D. E. Kilgour
President and General Manager, The North American Life Assurance Co.

The WAWANESA
Mutual Insurance Company
—Organized in 1896—
Assets Exceed $3,000,000.00
Over 150,000 Members
Write for Financial Statement
Ask for our Booklet "Farming Holds the Key"
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

HOME ASSURANCE COMPANY OF CANADA
Head Office: Lancaster Bldg., Calgary
FIRE, AUTOMOBILE, HEALTH & ACCIDENT INSURANCE
Application for Agencies Invited.

United States Fidelity & Guaranty Company
TORONTO

Dominion Appraisal Company Limited
The Authority on Physical Values in Canada from Coast to Coast.
Equipped to carry out work of any magnitude within a reasonable space of time.
Head Office
137 Wellington St. West TORONTO Elgin 5928
MONTREAL
University Tower Building.

CONSOLIDATED FIRE AND CASUALTY INSURANCE COMPANY
Incorporated by Act of the Parliament of Canada
HEAD OFFICE — TORONTO, ONT.

Authorized Capital	$2,000,000
Subscribed Capital	550,000
Paid-up Capital	220,000
Government Deposit	216,000

Statement for Year Ending December 31, 1941

ASSETS

Cash on Hand and Bank Balances		$ 57,355.48
Bonds at Government Valuation		464,540.00
Stocks at Government Valuation		45,630.00
Interest Due and Accrued		2,017.43
Agents' Balances		30,193.15
Due from Re-Insuring Companies		5,562.76
		$605,298.82

LIABILITIES

Provision for Unpaid Claims		$ 51,616.66
Due to Re-Insuring Companies		4,289.04
Agents' Credit Balances		1,081.41
Reserve of Unearned Premiums		176,374.59
Taxes Due and Accrued		22,461.15
Surplus for Protection of Policyholders—		
Capital Stock Paid In	$220,000.00	
Surplus	129,475.97	349,475.97
		$605,298.82

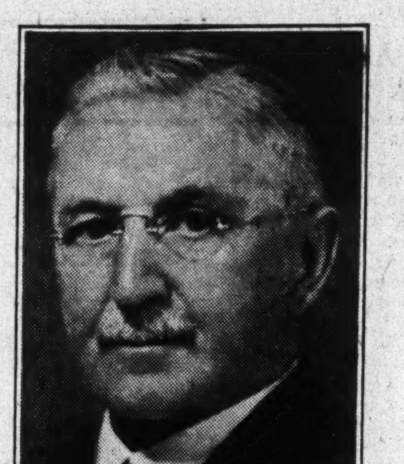
Neff, Robertson & Company, Chartered Accountants

President—Herbert Begg
1st Vice-President—P. R. Gardiner
2nd Vice-President—J. C. H. Dussault, K.C.

DIRECTORS
W. R. Begg, Leigh M. McCarthy, George McNamara, Col. K. R. Marshall, C.M.G., D.S.O., Joseph M. Pigott, Frank Shannon
Secretary H. L. Kearns
Ass't Secretary W. H. Buscombe
Ass't Secretary G. A. Gordon
Treasurer J. G. Hutchinson

ASSURANCE FUNDS HELP FINANCE WAR

Arthur B. Wood, President and Managing Director of the Sun Life Assurance Company of Canada, Says Policy is to Invest Every Available Dollar in War Loans of the Allied Countries — Assurance in Force Nears $3 Billions — Reviews War's Effects on Business.



Arthur B. Wood, President and Managing Director of the Sun Life Assurance Company of Canada, who presided at the 71st annual meeting of the company held in Montreal.

Every available dollar of policyholders' premium savings, while performing its primary purpose of providing security for the individual and the family, is being applied, together with investment income, to the purchase of war loans, said Arthur B. Wood, president and managing director of the Sun Life of Canada at the 71st annual meeting of the Company held in Montreal this week. The contribution of the life companies, he went on to say, has been most substantial and must be sustained for as long as is necessary, not only during the war, but afterwards in the time of reconstruction.

Factor in Wartime Economy

Attention was drawn by Mr. Wood to the direct and indirect way in which life assurance companies play a part in the nation's wartime economy. He said:

"Life assurance is based upon the principle of thrift and by its normal activities aids the government in its campaign to inculcate the principle of savings in the minds of the people. To the extent that the life companies succeed in persuading people to assure their lives, and in particular, that section of the public in the lower income brackets and others who probably would not become purchasers of government bonds, they exercise a powerful influence in the control of inflation. The money placed in life assurance causes a reduction in general purchasing power and so tends to prevent prices from rising."

While rendering assistance in financing the War and in the solution of other economic problems, Mr. Wood said the life assurance companies continue to perform their normal functions, providing protection for the family against the hazards of death, and security for the individual in the declining years of life. Along these lines, he discussed the influence of the war on business, saying total war claims of the Company between September 3, 1939, and December 31, 1941, amounted to only 2.2% of the total death claims. "The mortality experience of our British business thus far during the war," continued Mr. Wood, "including all deaths among the armed forces, and among civilians due to air raids or other causes attributed to the war, has been approximately the same as the average death rate under the company's entire business."

Nearly $3 Billions of Assurance

Referring to operations last year, Mr. Wood pointed out the favourable and unfavourable factors and went on to say that the total new life assurance secured by the company in all fields in which it operates was $187,000,000, an increase of 10.3% over the figures of the preceding year. The assurances in force continued to increase and now are close to the three billion dollar mark.

For several years the business of the company outside Canada, United States and the British Empire has been gradually decreasing in proportion to the company's total business, said Mr. Wood. This has been the natural consequence of local conditions, mostly of a legislative character, which have made it desirable to withdraw from certain countries and to curtail operations in others. More than 93% of total assurances in force and 98% of total investments, he added, are located in four major fields of operation—Canada, the United States of America, Great Britain and other British countries.

Payments to policyholders over the past year, Mr. Wood reported, amounted to $88,312,000. Since the commencement of operations 71 years ago, such payments have aggregated $1,478,121,000.

The assets of the company increased during 1941 by $44,723,000, bringing the total up to $995,518,000. The total surplus earnings during the year amounted to $23,596,000, as compared with $23,570,000 in 1940. This was, Mr. Wood mentioned, an eminently satisfactory return.

Mr. Wood's address follows:

The year just closed has witnessed vast changes in the war situation and the extension of the sphere of actual hostilities to many sections of the globe. The action of Japan in launching its treacherous attack upon Pearl Harbour created overnight absolute unity among all sections of the American people and plunged the United States immediately into the war. All the major powers are now directly involved and practically all nations throughout the world are aligned on one side or the other in this titanic struggle. The war has been brought close to our own shores and literally has become world-wide.

The economic dislocations following a sudden change from peacetime pursuits to the demands of a total war effort have affected all classes of business to a greater or lesser extent. Many new problems have been presented to the life assurance companies, making it necessary to be prepared to introduce promptly such modifications of policy and practices as changing conditions make necessary or desirable.

War and Life Assurance

In considering the effects of war upon the business of life assurance, one's thoughts naturally turn first to the mortality rate. During times of peace, it is common practice among life assurance companies to issue policies, world-wide in character, free from restrictions regarding residence and occupation. Consequently, the business which was in force at the outset of the war is subject to the war hazard. That business, however, is broadly diversified as regards attained age, sex, marital condition, residence and occupation. Some excess mortality must be expected under such business, but as only a small proportion of the policyholders are likely to be directly exposed to war hazards, the margin of safety provided in the premiums may be relied upon to afford adequate provision for any increase in the death rate likely to result. The companies have been obliged, however, to protect themselves against the extra risk which would result from the continued sale of unrestricted contracts in wartime and this has been accomplished by the insertion of a suitable war clause in all new policies. In this way the extra hazards of war not provided for in the normal peacetime premium rate are eliminated.

War conditions, however, affect the business of life assurance in many other ways, and these influences should be kept in mind in judging the significance of the figures disclosed by the Annual Report.

New Business

The volume of new life assurance is influenced by many factors, some favourable and others unfavourable to the securing of business. Among the favourable factors directly attributable to the war, the first to be mentioned is the increase in employment resulting from the development and expansion of war industries, and the consequent increase in the national income and its broader distribution. It is also a significant fact that under wartime conditions the fundamental desire for family protection, independence and security, is always more acutely felt. A situation favourable to the expansion of life assurance is thus created. But life assurance is seldom bought, and the volume of sales depends on the strength of the agency organization. Since the outbreak of war, the agency ranks have been depleted by enlistments for active service, and the personnel needs of the government and the various war industries. These gaps are difficult to fill. Also the benefits which might be expected to result from the increased national income are curtailed by the effects upon the individual's income of increased taxation and the rising cost of living. Other factors also have had their influence one way or the other but the net result is that life assurance on the Continent of America has witnessed a gratifying expansion in 1941. The total new life assurance secured by the Company in all fields in which it operates was $187,000,000, an increase of 10.3% over the figures of the preceding year. Of this amount, 28% was secured from Canada, 42% from the United States, 22% from Great Britain and other British countries, and only 8% from other countries. The Company does not operate in any country of Continental Europe.

The factors mentioned as favourable to the securing of new business also exercise a strong influence in the conservation of the business already on the books. The year just closed has witnessed a marked decrease in lapsed and surrendered policies, and a substantial reduction in policy loans. The assurances in force have increased and now are close to the three billion dollar mark.

Receipts Are Higher

As might be expected from the growth of both new assurances and assurances in force, the receipts from new and renewal life assurance premiums increased substantially. The income from single premium contracts, however, shows a marked decrease. This has followed naturally from the restrictions deliberately placed upon this class of business owing to the difficulty of investing large sums of money at satisfactory rates of interest under present day conditions. The total premium income, however, was approximately $1,000,000 higher than in 1940. Income from investments totalling $36,322,000 also showed the substantial increase of $1,600,000 as compared with the preceding year, and total receipts from all sources were $169,346,875.

Payments to policyholders amounted to $88,312,000, bringing the total of such payments since organization up to the impressive figure of $1,478,000,000.

War and Mortality

The year's experience in regard to death claims is interesting and deserving of special comment. Although there has been an increase in claims resulting from the war, this has been more than counterbalanced by the favourable death rate among policyholders generally. The mortality ratio under the entire business of the Company was actually lower than in the preceding year, being 55.2% as compared with 56.8% during 1940. The following summary of the claims that have arisen as the result of war from September 3, 1939, to December 31, 1941, will be of interest.

Deaths in the Armed Forces:

Resulting from:	No.	Amount
Enemy Action at Sea.	83	$ 221,061
Enemy Action other than at Sea	143	360,214
Accidents while on duty	78	254,021
Total	304	$ 835,296

Deaths of Civilians:

Resulting from:	No.	Amount
Enemy Action at Sea.	38	$ 227,817
Air Raids and other Enemy Action	101	243,795
Accidents Associated with War	10	51,810
Total	149	$ 523,422
Grand Total	453	$1,358,718

The total war claims incurred during that period amounted to only 2.2% of the total death claims. The effect of the war claims upon the average death rate is strikingly illustrated by a comparison with the peacetime death rate from accidents. Automobile accidents alone regularly account for about 4% of the total death claims, and claims from all accidental causes for about 9% of the total. Our experience in Great Britain is particularly interesting. The mortality rate in that country has always been very favourable. Naturally it has increased under war conditions. Nevertheless, the mortality experience of our British business thus far during the war, including all deaths among the armed forces, and among civilians due to air raids or other causes attributed to the war, has been approximately the same as the average death rate under the Company's entire business.

General overhead and operating expenses have tended to increase with rising costs and increased taxation. Particular attention, however, is constantly being devoted to the control of expenses and to effecting all possible economies. These efforts have resulted in a further slight reduction in expenses of operation.

Assets Near a Billion

The assets increased during the year by $44,723,000, bringing the total up to $995,518,000. The portfolio is broadly diversified. Government Bonds represent 25.8% of total assets, Municipal Bonds 5.3%, Industrial Bonds 5.0%, Railroad Bonds 2.8%, Public Utility Bonds 19.3%, Preferred and Guaranteed Stocks 1.4%, Common Stocks of Industrial and Financial Corporations 10.8%, Common Stocks of Public Utilities 9.4%, Mortgages 5.0%, Real Estate 2.2%, Policy Loans 8.2%, Cash 1.7%, and Other Assets 3.1%.

The Company now holds $83,367,000 of Canadian Government and Government Guaranteed Bonds, $53,216,000 of United States Government Bonds, $47,248,000 of British Governments, and $32,004,000 of Government Bonds of other British Empire countries, a total investment of $215,835,000 in bonds of the Allied countries.

The Bond Account increased during the year by $71,409,000 and the lower yield on new purchases caused a reduction in the interest yield on the total bond portfolio from 3.70 to 3.58. The return upon the common stock holdings increased slightly. There was not much variation in the rates realized on other classes of investment. The average rate of interest earned upon the total ledger assets was 3.98% as compared with 3.96% in 1940. During the year the interest account benefited by certain items of income of a non-recurring nature and because cash accumulations have been invested more closely, smaller bank balances have been maintained than in recent years. This additional income, together with the increase in the average return on stocks was sufficient to offset the reduction in the bond rate and to maintain the average return on total ledger assets at approximately the same figure as in the previous year.

The total surplus earnings during the year amounted to $23,596,866, as compared with $23,570,291 in 1940, an eminently satisfactory result. Provision for dividends absorbed $10,872,160 and the sum of $4,000,000 was added to the contingency reserve. The balance has been applied to the further strengthening of various reserves, and to the writing down of values at which assets are carried. The surplus and contingency reserve combined now amount to $32,118,000.

Investment Policy

The difficulty experienced in finding satisfactory investment outlets for the rapidly increasing funds is reflected in the changes in the asset account. New capital issues by corporations and municipalities have become less frequent and have fallen far short of meeting the normal needs of investing institutions. At the same time rates of interest have continued at an extremely low level. The demand for mortgage money to finance new building also has been diminishing and with building restrictions, the limitations upon the production of supplies and building materials, and the priority given to governmental requirements, this field will become more and more restricted with the passing months. Consequently the investment field is becoming more and more limited to the purchase of Government Bonds.

The gratifying feature of the situation, however, is that the larger funds available for investment enable the life assurance companies to make a greater contribution to the war effort, through increased subscriptions to Victory Loans. The Company's policy is to invest all available funds arising from our business in Canada, Great Britain and the United States, to the fullest extent compatible with the needs of the business, in the War Loans of the particular country from which the funds arise. While the problem of investing new funds is thus simplified, the investment of an unusually large proportion of the assets in Government Bonds yielding low rates of interest will cause a reduction in surplus earnings. The maintenance of low interest rates, however, is vital to the successful financing of the war.

World-wide Business

As the Company operates in many sections of the globe, and the war has now extended to the Far East, a reference to the distribution of the business by countries is informative.

For several years business in several countries has been gradually decreasing in proportion to the Company's total business. This has been the natural consequence of local conditions, mostly of a legislative character, which have made it desirable to withdraw from certain countries and to curtail operations in others. At present, no less than 93% of the total assurances in force and 98% of the total investments are located in four major fields of operation — Canada, the United States of America, Great Britain, and other British countries. Only 7% of the total assurances in force and less than 2% of the investments are in other countries.

Reference should be made to the business in those sections of the Far East classified as "enemy" and "enemy occupied" countries. The business in force in all those countries now amounts to only 2% of the total assurances in force, while investments and deposits in those countries are only two-thirds of 1% of the total assets. The investments covering the policy liabilities in those countries consist chiefly of Canadian and American securities held in Canada. The servicing of such business must necessarily be suspended for the duration of the war but every effort will be made to see that the interests of the policyholders are safeguarded.

Future Income

Notwithstanding the adverse influence of war conditions on earnings generally, the surplus earnings of the Company have been maintained at approximately the same figure during each of the three years 1939, 1940 and 1941. It would be taking too optimistic a view, however, to expect that this favourable experience will continue throughout the duration of the war. Earnings are derived from three main sources, interest, mortality savings and economies of operation. With a constantly increasing proportion of our funds invested in Government Bonds at low rates of interest, gains from interest must decrease; war claims thus far have been light, but as the fighting becomes more intense and larger numbers of men become engaged, these claims may be expected to increase; expenses of operation also may increase due to taxation and other causes beyond a company's control. Also the possibility of epidemics such as the influenza epidemic which occurred after the close of the last war must not be overlooked. With all these contingencies in mind, the principles of sound management dictate a conservative policy in the matter of the allocation of surplus earnings. Accordingly, while war conditions prevail, it will be the Company's policy in adjusting dividend scales to retain a substantial portion of each year's earnings as an additional source of strength.

Staff in War Services

With twenty per cent of its male staff from Head Office and Branch Offices, and large numbers of its field representatives now engaged in war services, the Company has been faced with a serious shortage of man power in the conduct of its business. The office staffs have responded splendidly to the needs of the situation by assuming extra duties, while the agents have demonstrated their ability to keep up the production of new business despite the loss of so many of their colleagues. The high standard of service to policyholders has been fully maintained.

I take this opportunity to express to all members of the Office Staffs and Agency Organization our appreciation of their loyal and efficient service. Particularly do I wish to thank our field representatives for their valuable assistance to the Government in connection with the Victory Loan Campaign last June. The life assurance companies operating in Canada have again placed their entire field forces at the service of the Government in connection with the Second Victory Loan Campaign which will start on February 16th, and our field representatives may be relied upon to put forth their best efforts to ensure its success.

I deeply regret having to report that ten members of our organization have lost their lives while on active service or through enemy action.

It is with feelings of real sorrow that we record the passing away during the year of three members of our Board. The Rt. Hon. Arthur B. Purvis lost his life in a plane crash when returning from England where he had been on an important mission in connection with his duties as Chairman of the British Supply Council in North America. His tragic death in the prime of life when he was rendering such valuable service to the Empire, is all the more regrettable. Senator Lorne C. Webster and Sir Herbert S. Holt had served the Company long and faithfully and they will be greatly missed from our deliberations. Suitable resolutions of appreciation and sympathy have been recorded in the Minutes of the Board. The vacancies thus created were filled by the appointment of the Hon. C. A. Dunning, Mr. George W. Spinney and Mr. Harold Crabtree, to serve for the remainder of the respective terms. We extend to them a cordial welcome to our Board.

Contribution to War Effort

I would now like to make a few observations on the part life assurance plays in a wartime economy.

Our policyholders will, I am sure, derive much satisfaction from the knowledge that through the medium of the Company they are contributing materially to the war effort. Essentially an instrument of public service, life assurance, from the very nature of the business, plays an important part in aiding the Government to solve some of the major problems created by the war.

The operations of a life assurance company are far-reaching, for its services extend to all classes of the community. The annual premium income, large in the aggregate, represents the sum total of vast numbers of small contributions flowing into the companies year after year. In the case of our Company, it represents annual contributions from over a million policyholders. The vast reservoir of funds thus accumulated by the companies has become the greatest single source of money supply for long term investment, and life assurance funds, for the most part, must be kept well invested for a long period of years. In wartime, the bulk of these funds become available for the purchase of Government Bonds, and so through the medium of these investments, policyholders, quite unconsciously though it may be, are making a valuable contribution towards financing the war. In the three War Loan Campaigns, the bonds purchased by the life assurance companies operating in Canada have totalled $170,000,000. Except for the work of the field representatives in securing life assurance sales, these funds would not be available. Moreover, the premiums paid by policyholders would not in the vast majority of cases have found their way into other channels of investment, but more likely would have been expended needlessly.

Part in National Economy

It may also be observed that life assurance is based upon the principle of thrift, and by its normal activities aids the Government in its campaign to inculcate the principle of saving in the minds of the people. To the extent that the life companies succeed in persuading people to assure their lives, and in particular that section of the public in the lower income brackets and others who probably would not become purchasers of Government Bonds, they exercise a powerful influence in the control of inflation. The money placed in life assurance causes a reduction in general purchasing power and so tends to prevent prices from rising. And while rendering assistance in financing the war, and in the solution of other economic problems, the life assurance companies continue to perform their normal functions, providing protection for the family against the hazards of death, and security for the individual in the declining years of life.

In contemplating the future, far-reaching social and economic changes can be visualized which will present new problems. This is not the first time, however, that life assurance has had to cope with new situations. During its long history of more than a century and a half, it has faced wars and epidemics, periods of inflation and of depression, but through all these changing conditions with their disturbing influences, its record has but served to demonstrate the fundamental soundness of the institution.

A long and hard struggle lies ahead, a period which will require the utmost sacrifice from all, and it is the duty of institutions and individuals alike to make the greatest contributions of which they are capable to the great cause for which the Allied countries are fighting. This Company will continue to play its part to the full extent of its resources, looking forward calmly and confidently to the day when final victory shall come.

Progress in 1941

Payments to policyholders and beneficiaries by the Sun Life Assurance Company of Canada during the year amounted to $88,312,394, of which $12,463,459 was in respect of dividends on participating policies.

* * *

The total payments to policyholders and beneficiaries since organization amount to $1,478,120,947.

* * *

New life assurance policies paid for during the year numbered 57,789 for an amount of $187,041,959, of which $2,334,273 was reinsured.

* * *

New annuity contracts paid for numbered 2,406, and provide for immédiate annual payments of $332,840, and deferred annual payments, to commence at fixed retirement ages, of $2,547,280.

* * *

Life assurance in force at December 31st amounted to $2,971,747,088, represented by 893,969 individual policies and 343,702 certificates of assurance on the lives of employees of firms and corporations under the group plan.

* * *

Individual annuity contracts in force numbered 37,905, and in addition retirement benefits for 38,037 employees are provided for under group annuity plans. Current annual payments under these contracts amount to $10,294,642, and deferred annual payments to $24,472,197.

* * *

Premiums paid by policyholders amounted to $112,575,322. The income derived from investments amounted to $36,322,410. The total receipts for the year from all sources were $169,346,875. The total disbursements were $118,957,101.

* * *

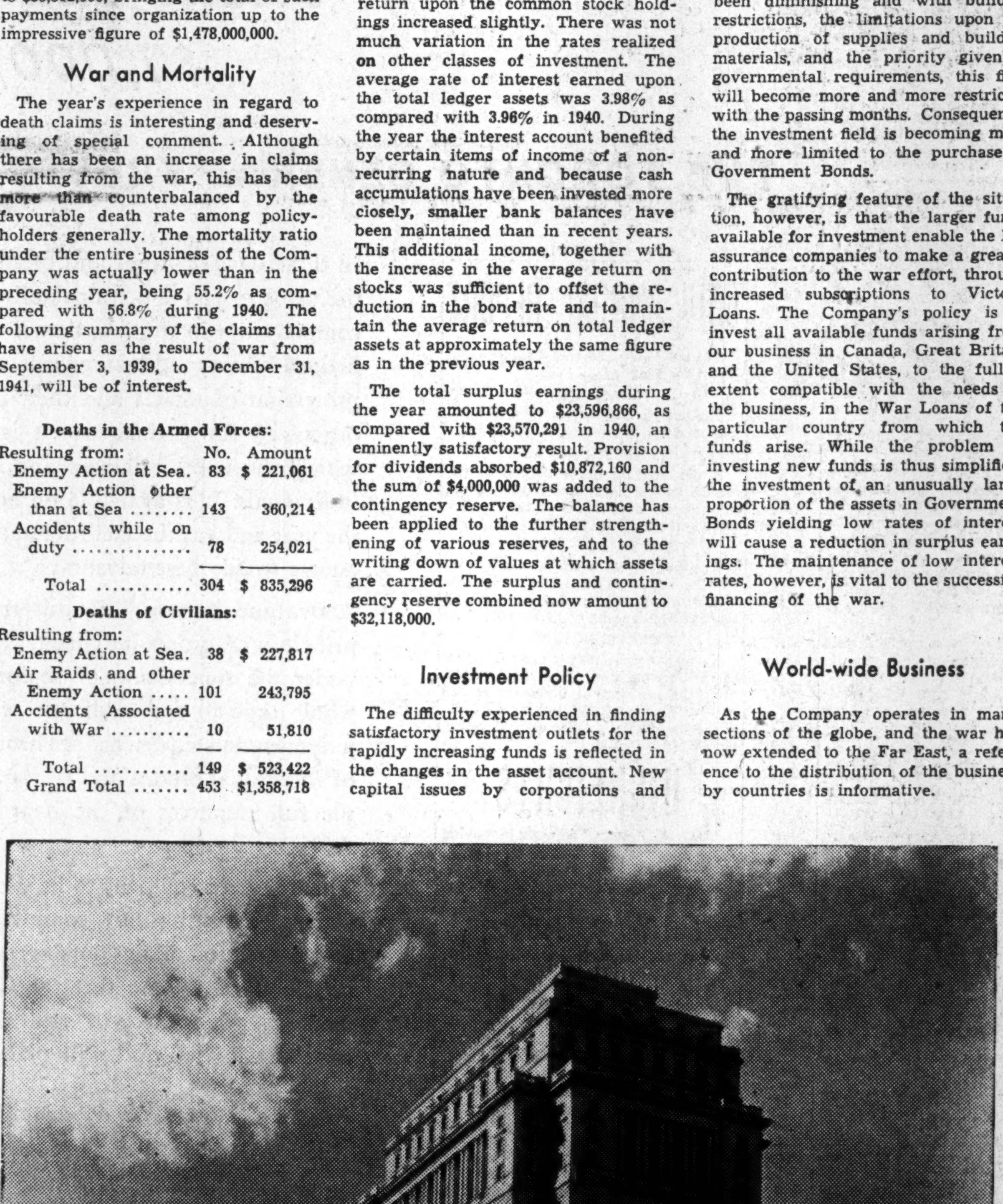
The reserve for contingencies has been increased by $4,000,000, and now amounts to $14,000,000.

* * *

The surplus over all liabilities, capital stock account, and contingency reserve, amounts to $18,118,207.

* * *

The surplus earned during the year amounted to $23,596,866. After making provision for dividends in accordance with the basis in force, the balance has been applied to the further strengthening of reserves and writing down of values at which the assets are carried.



Head Office of the Sun Life Assurance Company of Canada, Montreal.

1942

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 14, 1942 | 10c a Copy; $5.00 a Year | No. 7

Britons Now Sure They Rule Their Air

Nation Knows Its Preparedness Never Better But No False Confidence

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—There are two matters wherein the people of Britain have a feeling of high confidence.

One is their belief that air superiority has finally and permanently been attained over the British Isles.

The other is their belief that Hitler can not possibly succeed in any effort to invade Britain.

Whether or not the British people are justified in their high confidence is another matter, one upon which the layman is less qualified to speak than the military expert. But this visitor to Britain, in contacts with the man on the street and with ranking military authorities, found much evidence on these points at least:

. . . That British bomber and fighter planes now in production are superior to any German planes of which we yet have any knowledge;

. . . That R.A.F. pilots have demonstrated skill and daring that makes them, man for man, the masters of the enemy aircrews they have had to meet;

. . . That Hitler's losses of planes and pilots in Russia have been as heavy as his losses in manpower and equipment on the land; and before he can win in Russia—or even get out of Russia—his losses will be infinitely greater; so great that his problem of attempting an invasion of Britain will be much more difficult than it would have been in the fall of 1940;

. . . That Britain's defenses against a possible invasion have grown and improved during the past year beyond all recognition.

Nazis Held Back

Viewing the comparative quiescence in aerial war over Britain in recent months, the British people have come to the conclusion that there are very definite limiting factors in Germany's air attack, the exact nature of which has not been revealed.

In September, 1940, Hitler nearly had Britain beaten—and he had to call off the air attack. (Alexander Seversky suggests that it was the 25-miles per hour extra speed of the Spitfire that won that battle).

Again last spring Hitler came close to having London and a number of other key cities at his mercy, and again he had to call off his bombers. The British think it is very significant, too, that when Hitler attacked Russia, he virtually abandoned the aerial blitz on Britain.

Well informed Britons think that the limiting factor in Hitler's attack is probably pilots. That is true of practically all countries in the war. Most countries are tooled up now to turn out planes faster than they can produce the air crews to operate them. Therein lies the great and vital significance of the Commonwealth Air Training Scheme; it insures that as we build the planes we shall be able to put them in the air.

The "wastage"—a heartless word for a very human thing—of aircrew is very great in this war. This was brought home to me by the comment made by a young Wing Commander of a British fighter squadron with whom I dined one night. He said "We've been very lucky. There are eight of our original pilots left." What he meant was that of 25 pilots originally in the squadron 17 have been killed in action. And this is "better than the average"; the squadron has been "lucky"!

Pause Great Help

Britain's comparative surcease from bombing raids has been of enormous value in two directions. It has permitted war production to go on for some months with virtually no interruption. And it has given Britain a chance to improve and perhaps even to perfect her anti-aircraft defenses.

Interruptions to production have been due less to the outright destruction of factories and machines than to the time lost when an "area" is hit, when public utility services are put temporarily out of commission and when workers are forced to find new homes for their families.

Actually the number of direct hits on key factories in Britain has been amazingly small. Many more manhours, important to war output, have been lost through the bombing of workers' homes.

Much tragic proof of this statement could be put forward; of how working men's suburbs have been almost wiped out while nearby factories were hit only by stray bombs; of how one important munitions centre almost shut down because six nights of ceaseless bombing drove the people into the fields for protection; of how workmen lose days transplanting their families to new homes; of how the hours consumed in getting to and from work become a serious limiting factor in production when workers have had to settle down in new homes some distance from their plants.

The experience Britain has gone through in its blitz have led to much argument as to the relative value of "target" and "area" bombing. The R.A.F. still goes after oil plants, railway stations and aircraft factories. It still hits the docks at Hamburg, coastal convoys along the Dutch coast and airfields on the "invasion coast." But I talked to many higher officials who feel that target bombing is so inaccurate that it is better just to drop bombs at random over the thickly populated areas of cities and factory towns. As one man put it to me "The hard, ruthless fact is that the way to get the best results is to bomb the poor."

If Britons are beginning to feel that way it is because Hitler taught them that lesson. For "bombing the poor" is the chief thing Hitler accomplished in the Luftwaffe's blitzes.

There are those who suggest that Hitler's virtual cessation of bombing over Britain is not due to his entanglement in the Russian campaign or to any shortage of pilots and machines. They say that his objective is to lull the people of Britain into a false sense of security: that he has again started the "bore" war, to throw Britain off her guard. They believe that he is massing bombers and aircrew for a massed attack on Britain at such time as he has a fair chance of following it with an attempted invasion. But these people are in the minority. On the whole the British people are confident—let us hope not dangerously confident—that they have finally won air supremacy.

The recent months of comparative freedom from air attack have encouraged the British people in some dangerous habits. The underground shelters are no longer crowded at night, although one saw in the tube stations many people who spend their nights sleeping in public (and to the noise of the trains, which continue to run until about 2 o'clock in the morning). That was perhaps the most pitiful sight in London and one's emotions were stirred the more by the realization that most of the old men and women one saw closing the tattered curtains of their three-tiered metal bunks, or the children doing their homework under the dim light of tube station lamps, were there because their homes had been shattered to bits and they had no other place to go.

Seldom does one see a gas mask in London except on the shoulders of members of the armed forces and of policemen who are required by their discipline never to go without them. The occasional civilian who carries his gas mask now is as infrequent as the warning signs urging people always to carry their masks are numerous.

In the air, Britain faces her enemies with growing confidence, sure in the knowledge that she is now beginning to get the planes she needs, and to get them in large totals; confident of the skill and valor of her airmen; and more secure in the anti-aircraft defences of her islands than she would have thought it possible to achieve in so short a time.

Britain still has not enough heavy bombing planes to enable her to keep up a steady and unceasing aerial attack on the major industrial cities of Germany. In any event bad weather conditions at this time of the year have a deterrent effect on operations and on one night in early winter led to the worst losses Britain has yet suffered in any single night of bombing—37 in all. This was a freak night, weatherwise, but what is not generally realized is that in proportion to the vast numbers of bombers Britain had over Germany that night, the losses were not seriously out of line with normal expectations. With clearing weather Britain will resume the steady night-after-night bombing of Germany's interior centres.

"Softening Up" Unimpressive

There is little disposition to feel that the war can be won merely by softening up Germany from the air. That the German people will not stand up to continuous aerial attack as the British people have is a cherished idea in Britain and is probably not a delusion.

But all the wiser war commentators admit that aerial attack is only one of the three prongs of the offensive against the enemy; that that final victory will be won by the maintenance of sea communications and by adding to aerial attack the ultimate landing of a large expeditionary force somewhere on the continent of Europe.

But air supremacy, be it noted, implies much more than a mere nominal surplus of planes and pilots over those of the enemy. I repeat here a conversation I told of before. I asked one of the best-informed men in Britain—a man with an intimate knowledge of the facts of air warfare—what degree of supremacy in the air Britain will need over Germany before she can take the offensive. (I had in mind that we must have adequate air strength all over the world and not merely on an internal line of communications such as favors Germany).

His reply was enlightening. He said "Four to one."

In its anti-aircraft defenses, Britain has learned many lessons. The island is a bristling porcupine's back of AA guns. The systems for detecting the approach of enemy aircraft, and of plotting them on charts and maps, have reached a high degree of perfection. The apparatus used today bears little resemblance to that which was the chief reliance a year ago. Planes can often be spotted and located before they leave enemy or "occupied" territory.

One lesson that has been learned—and the "Fire of London" brought it home—is that incendiary bombs can be even more destructive than high explosive bombs—excepting, of course, the heavier bombs and the land mines. Block after block was gutted in the city and around St. Paul's because many business firms had not organized sufficient squads of their own employees to do night-watching against incendiary bombs and to put them out, whenever they fell on the roof, and before they could start a major conflagration. Now the fire protection system is greatly improved all over Britain.

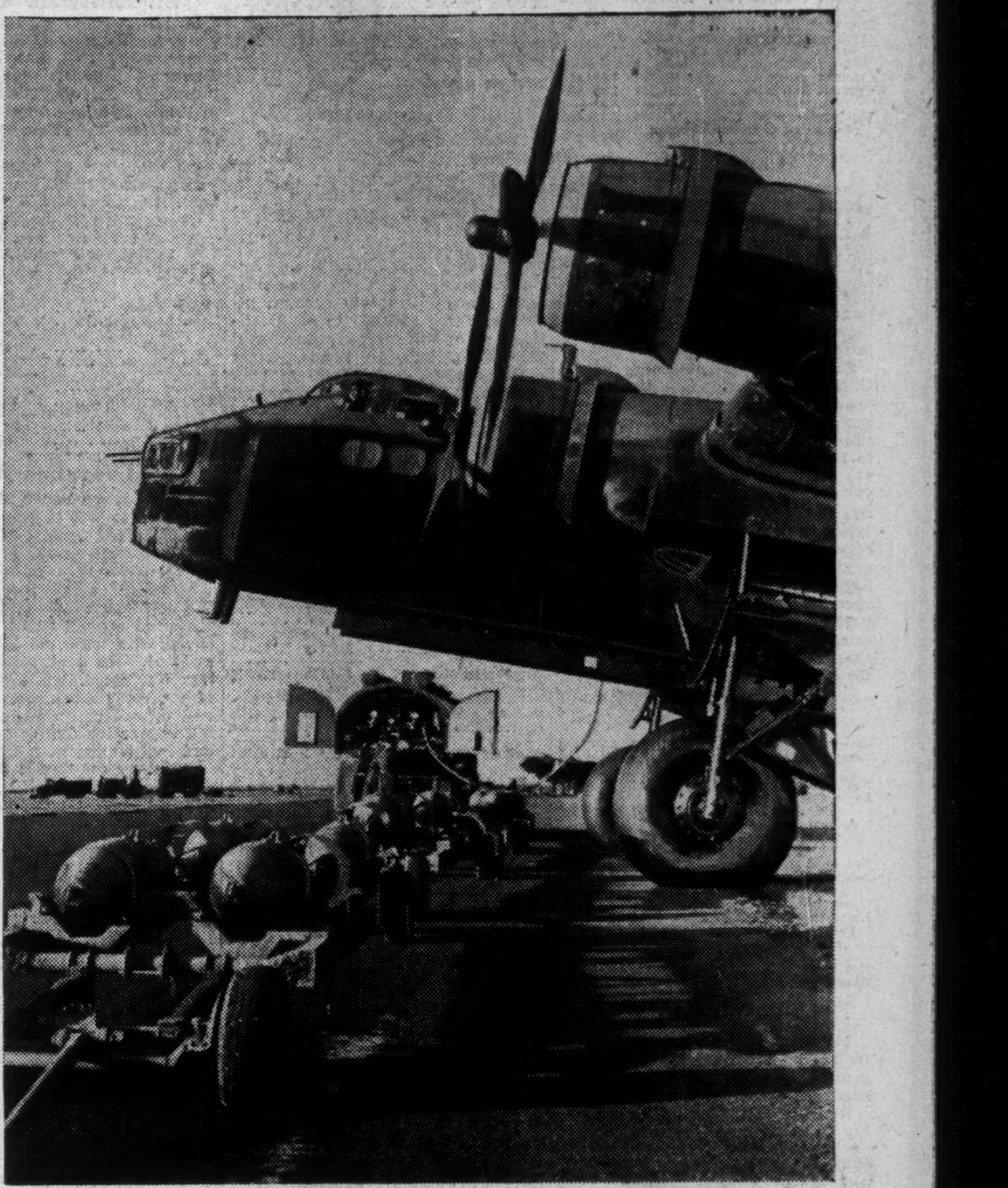
An interesting proof of the destructiveness of incendiary bombs is seen in the burning of so many of London's famous old churches. It is not easy to put out an incendiary bomb on the roof of a church nor is it easy for churches to organize squads of fire-watchers. Hitler hasn't aimed at churches; but when a church gets a direct hit there's little that can save it.

Almost every man in London does one or more nights a week on fire watching. If he is not a war reserve policeman on part-time duty, a home guard or an ARP warden, he has to put in his time guarding the premises of his firm, standing on the roof for so many hours and sleeping on the premises while another relief takes over.

One day I saw a policeman in the British Columbia canteen. He was having a Sunday morning cup of coffee. I said to the friend who was with me, "That fellow looks uncommonly like Jack Hulbert." It was. He is a part-time policeman.

Another evening I was dining in the Carlton Grill, and I saw a man in rough AFS uniform, washing down oysters and partridge with an excellent wine. He finished off with brandy and a good cigar and went out to his night's work. Wealth does not buy a man freedom from his work or defense duties.

What do the people of Britain think about the possibilities of an attempt at invasion? What are the chances of Britain trying an early invasion of the continent? Mr. Chalmers, in an early article, will discuss what he heard in Britain on these subjects.



One of Britain's largest bombers, a Stirling, prepares for a raid. Bundles for Barbarians are trundled in well-sprung trucks. Its four engines and its long flights require enormous gasoline loads. Left, in the distance can be seen the portable radio "station" used at some British stations in flight operations.

War Against Men's Minds—the Nazi Way

To make sure that a good man with a monkey-wrench is not being kept as a poor man with a pail and mop, and that the troublesome soldier in "B" platoon is not wasted brilliant Major-general material, the Canadian army has just added a staff of highly trained psychologists.

Their job is to see that each man in the Canadian Army is put at the work he can best do; that the very best possible use is made of the human material.

The new board is headed by Col. G. Brock Chisholm, internationally known neurologist and psychologist. Included in this new army directorate of personnel selection will be Capt. Wm. Line, former professor of psychology at the University of Toronto, Major James Howard and Lieut. J. D. Griffin, former medical director, Canadian National Committee for Mental Hygiene and Major Wilfrid Wees, prominent authority on educational methods.

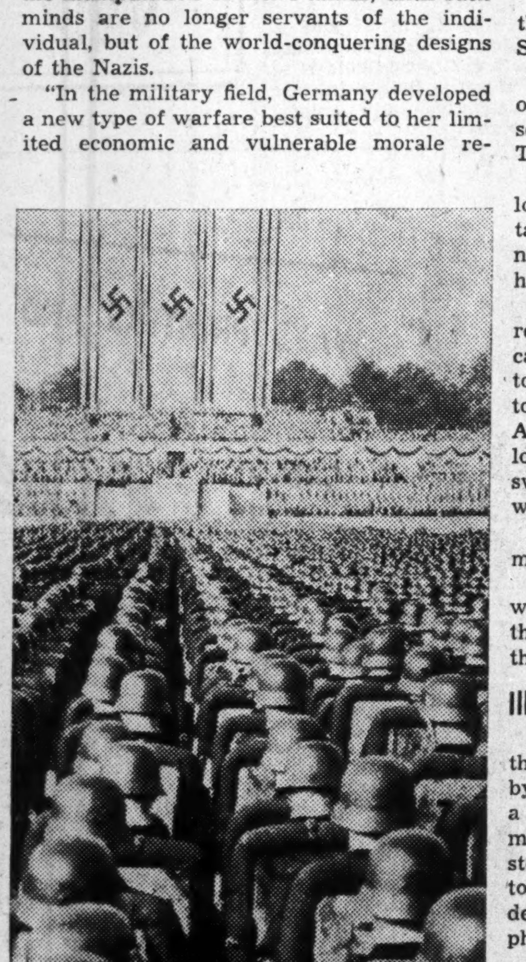
Hitler's Germany has applied psychology to a degree unparalleled anywhere else in the world—and to a degree almost beyond the imagination of the free-man in a democracy.

The Committee for National Morale with headquarters in New York has recently completed the most comprehensive study on this phase of Nazi warfare. Based on the studies of a very distinguished panel of researchers, the Committee has just produced a second edition of its book "German Psychological Warfare."

Herewith The Financial Post publishes a digest of this book showing how the Nazis plot enslavement of their own people. Another article will outline application of psychology to other nations. The parts in quotation marks are taken directly from the book "German Psychological Warfare."

Germany's war against us is three dimensional—military, economic and psychological. Of these three, the newest, most diabolical and "other-wordly" is the psychological war, the manipulation of men's minds, until such minds are no longer servants of the individual, but of the world-conquering designs of the Nazis.

"In the military field, Germany developed a new type of warfare best suited to her limited economic and vulnerable morale resources. The most important phase of this warfare is the offensive battle—the sudden onslaught of primeval fury which the world has come to know as the Blitzkrieg.



Like robot Frankensteins, Nazi troopers line up at one of the gigantic orgies in mass hynotism—a Nuremberg Rally. This article tells something of why the Nazi mind is like it is.

"Economic rearmament began in 1926 with the establishment of the Economic General Staff, camouflaged as a Statistical Society.

"Military rearmament in its actual phase of munitions production and military conscription was carried out only under the Third Reich.

"This sequence of rearmament was held logical because psychological preparation takes the longest time, involving as it does new patterns of education, indoctrination and habituation."

Moreover, it was argued that economic rearmament should precede the military because the nation's economy should be geared to the point where it could be switched over to military needs at a moment's notice. Actual production for war was deferred as long as possible because war machines swiftly become obsolete and new counter-weapons must be as up to date as possible.

Thus the keystone for the German war machinery is psychology.

But the preparations for psychological warfare began first of all and long before the advent of Hitler. The story begins after the collapse of Germany in 1918.

Illusions Smashed

The convictions, dreams and self-esteem of the whole German nation had been smashed by defeat. The myth of a "super-race" with a mission to rule the world had become a mockery. The mass mind was sick and in stolid, logistic German style it was subjected to a form of healing designed to rationalize defeat, to prepare Germany for rising like a phoenix from the ashes of disaster.

"The Germans began psychological rearmament immediately after the war . . . Morale building agencies were not hit by the disarmament imposed . . . by the Versailles treaty; thus propaganda replaced military considerations and became a political weapon."

Completely smitten by the idea of psychology as the key to world conquest, the German state put psychologists at the elbow of law-makers, rule-writers and administrators everywhere.

The Nazi psychological machine is organized in four divisions: psychological research, handled by 20 scientific departments, is housed in palatial quarters in Berlin.

Psychological selection is decentralized in 17 army and two naval testing stations.

Third is a special staff of psychologists for carrying on psychological campaigns as part of the High Command's own press department and attached to the Politics and Intelligence Section of the German general staff. This group works closely with the propaganda ministry, the foreign office, and the Gestapo.

Fourth is the psychological intelligence service specializing in the study of political, social and intellectual attitudes of foreign nations and personalities.

Climax of Career

How does this machinery go to work on the Nazi soldier?

First of all "service in the army is considered the climax of a youth's total education."

"Military life in Germany does not mean merely army service. It is intended to be the way of life of the entire German nation."

To this end every form of education, every sport, every human activity has been reorientated to contribute to the end of total war by the entire German population.

Hence, by the time a German joins the ranks he is already well enmeshed in the diabolical tangles resulting from scientific assaults on his personality.

The new Nazi education has produced an interesting change in military training.

In the previous war, "the soldier was trained to handle his own weapons and obey orders. He was not supposed to be a free agent. This system was adopted to the military tactics of the time which demanded that a soldier act in company always within earshot and view of his superior officer."

Changed requirements of modern war induced the Germans to "create a new type of warrior who is able and willing to subordinate himself while yet capable of independent action."

The High Command says: "The individual soldier must be educated so that he is able to accomplish his tasks in battle even if left to himself. He must know that he alone is responsible for all his acts and failures."

Grim Pressure Process

Grimly the psychological machine goes to work on the German conscript for "the ideological conditioning of soldiers is considered of equal and even of greater importance than technical training. It is explicitly stated that 'work on the drill ground, although indispensable for the practice of military action and for the habituation to orderliness, smartness and discipline, should take up only limited time.'

"The keynote of military indoctrination is a sort of habituation to patriotism, deliberately and carefully stressed on every possible, and even impossible, occasion. Officers are obliged to include patriotic references in every one of their addresses to their men, and always end their critiques of individual problems with an appeal to the patriotism of the German soldier. Among the means of army indoctrination, one Nazi expert lists the following:

For an hour every day, officers gather their men for an explanation of the political acts of the Nazi leadership so as 'to give every soldier an immediate participation in the decisive events of the functions of state and race.' These discussions are reported to be very effective.

Patriotic education in the army concentrates on the presentation of historic military examples to develop the soldier's sense of duty and desire for emulation.

Carefully prepared "social evenings of comradeship" on the basis of voluntary participation with common soldiers running the show.

The weekly hour of the company is for cultivation of music and community singing, particularly German classics and folk songs. Political, scientific and cultural lectures. (These lectures are presented by the German Labor Front as 'the gift of the German worker to the German soldier.')

Festive hours, commemorating historic events to give soldiers direct contact with German history. They are usually held in connection with visits to national shrines and historic battlefields.

The ten minutes front-spirit—ten minutes set aside every day to whip up a militant spirit in the conscripts. Officers who participated in the last war tell about their own experiences in combat.

Planned recreation—the entire recreation period is given over to further the soldier's cultural education and additional physical training. Tours are conducted to public institutions, historic monuments, libraries, galleries, theatres and movies. There are dancing, singing, swimming lessons, hikes, and mountain climbing in free time."

All-inclusive Barrage

From that all-inclusive barrage on the personalities of the Hitler soldiers, the psychologists go on to provide a formula for dealing with every conceivable human and spiritual situation.

For the homesick, they recommend frequent furloughs. "After the conclusion of the western offensive in the summer of 1940, 40 full divisions were sent home on extended leave."

Suicidal tendencies bring the soldier under direct psychological examination, and his officers and associates will be instructed to refer to it in terms of ridicule, contempt and satire.

Intellectuals ("army authorities usually dislike intellectuals") are divided by the Nazi "mind-busters" into three types. The "born intellectual" they classify as the kind they can make into "an excellent soldier." The "false intellectual" they think they can wear down by harsh treatment and unending tasks. The "genuine intellectual" is hard to

(Continued on page 20, col. 1)

Company Reports

Beauharnois

Beauharnois Light, Heat & Power Co. reports consolidated gross income in 1941 of over $5.5 millions, increase of $1.2 million over 1940. After fixed charges, net income, transferred to depreciation reserve, was $1.3 million against $338,000 in 1940.

Investment in property increased from $77.6 millions to $83.1 millions. Demand loan of nearly $2.6 millions, shown in the 1940 account as owing by Montreal Power, has been liquidated.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	5,566,483	4,337,831
Less: Expenses & tax.	819,110	694,815
Fixed charges	3,400,249	3,304,996
Balance*	1,347,124	338,020

*Transferred to depreciation.

Working Capital

	1941	1940
	$	$
Current assets	1,685,541	4,061,079
Current liabilities	1,916,391	1,984,030
Working capital	‡230,850	2,077,049

‡Excess of current liabilities.

Canada Dry

Heavy expenditures to start an aggressive promotion programme are reflected in earnings of Canada Dry Ginger Ale for quarter ended Dec. 31, 1941. Planned before entry of the United States into the war, this is now being curtailed. Operations and expenses have been adjusted to meet conditions now imposed and anticipated.

Following sugar rationing in the U. S., it was decided to discontinue production of "flavor" beverages, such as strawberry, cherry and raspberry soda. Sugar allotment is to be devoted principally to ginger ale and sparkling water, which yield the major portion of income and use relatively little sugar.

Net income for the three months of wholly owned Canadian subsidiary amounted to about 16.0% and 9.8% of the consolidated total respectively for the 1941 and 1940 periods. Net profits for the last quarter of 1941 were 46 cents a share compared with 78 cents for the corresponding 1940 period.

Consol. Net Income Account
Three Months Ended Dec. 31

	1941	1940
	$	$
Gross sales	6,752,403	5,701,105
Less: Discts. & allow.	152,470	159,413
Net sales	6,599,933	5,541,692
Less: Cost of goods sold	3,228,672	2,730,816
Advert., sell. & gen. & adm. exps.	2,899,694	2,165,759
Net oper. income	471,567	645,117
Add: Other income	7,243	3,468
Gross income	478,810	648,585
Less: Misc. deductions	6,105	6,884
Fed. & Can. inc. & excess prof. taxes	187,580	160,801
Net income	285,125	480,900
Earns. per Share	$0.46	$0.78

Mont. Island Power

Montreal Island Power Co., controlled by Montreal Power, reports gross income in 1941 of $782,467, a small gain over 1940.

Due to lack of funds, bond sinking fund payments were not made on May 1, 1941. There were no changes of importance in the balance sheet.

Income and surplus account figures for the past two years follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	782,467	762,865
Less: Expenses	145,191	146,028
Interest	15,971	21,525
Fixed charges	498,575	498,575
Balance*	122,730	96,737

*Transferred to depreciation.

Working Capital

	1941	1940
	$	$
Current assets	77,051	77,263
Current liabilities	201,618	268,292
Working capital‡	134,567	191,029

‡Excess of current liabilities.

H. Simon & Sons

More cigars were smoked last year and H. Simon & Sons report an operating profit of $128,531, compared with $95,533 the year before. Net profit on the common stock, after senior charges, was $1.06 a share, against 66 cents in 1940.

Balance sheet shows no major change, working capital at $388,106 comparing with $369,613 at the end of 1940.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	128,531	95,533
Less: Exec. salaries	33,434	28,487
Directors' fees	2,146	993
Legal fees	3,910	1,550
Add: Invest. income	646	4,013
Net revenue	89,687	68,516
Less: Tax provision	35,000	26,000
Depreciation	4,206	4,187
Net profit	50,481	38,329
Less: Pfd. dividends	18,543	18,543
Com. dividends	18,030	18,030
Surplus	13,908	1,756
Previous surplus	142,797	141,041
Surplus forward	156,705	142,797

Working Capital

	1941	1940
	$	$
Current assets	603,994	514,611
Current liabilities	215,888	144,998
Working capital	388,106	369,613

Donnacona

Donnacona Paper Co. reports consolidated income in 1940 of $1.3 million, against $1.1 million in 1940. Net available on the capital stock was 28 cents a share, against 34 cents in 1940.

Working capital improved by $200,000 to over $1.3 million. Accounts receivable and inventories were higher. Property account increased some $200,000 to $11.9 millions, while the company purchased $351,000 of its own bonds. Notes outstanding declined from $651,500 to $618,500, but bank loans increased from $627,300 to $680,000.

Comparative figures in the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	1,307,421	1,091,869
Less: Depreciation	759,362	558,714
Bond interest	328,871	296,280
Note interest	35,833	37,317
Tax provision	78,700	69,918
Net profit	104,655	129,640
Less: Dividend	37,657	......
Surplus	96,998	129,640
Previous surplus	181,714	52,074
Surplus forward	248,712	181,714

Working Capital

	1941	1940
	$	$
Current assets	2,594,435	2,374,659
Current liabilities	1,257,824	1,227,978
Working capital	1,336,611	1,146,681

Maclaren-Quebec Power

For the first time since its organization, Maclaren-Quebec Power Co. has been able to pay interest charges on its bonded debt out of current earnings. Power sales last year were over $1.8 million, an increase of nearly $400,000 over the 1940 fiscal year. After providing for interest charges, depreciation and tax provision, net profit was $20,395, against a loss of $148,624 in the 1940 fiscal year. Funded debt now stands at $19.9 millions.

Comparative figures on the income and surplus account for Maclaren-Quebec Power Co. for 1941 and 1940 follow:

Income and Surplus Account
Years Ended Nov. 30

	1941	1940
	$	$
Power sales	1,844,496	1,468,695
Less: Oper. expenses	285,143	235,609
Debt interest	905,334	910,459
Other interest	47,780	63,330
Int. expenses	2,491	2,487
Depreciation	358,898	250,000
Amort. storage rts.	90,000	90,000
Bond discount	65,455	65,434
Tax provision	69,000	......
Net profit	20,395	*148,624

*Loss for year.

Maclaren Power & Paper

Maclaren Power & Paper Co. reports consolidated income for the year ended Nov. 30, 1941, of $467,122, or 93 cents a share on the capital stock. Against loss of $511,905 the previous year. Of the profit $446,728 was received from James Maclaren Co. and $20,394 from the Maclaren-Quebec Power Co.

A quarterly dividend of 25 cents a share payable Canadian funds on March 5, 1942 to shareholders of record Feb. 14 has been declared.

Consolidated working capital more than doubled. Bank loan and overdraft were reduced from $1.2 millions to $222,455. Investment in Dominion of Canada bonds increased from less than $100,000 to $302,950.

Comparative figures on the profit and loss statement follow:

Cons. Income and Surplus Account
Years Ended Nov. 30

	1941	1940
	$	$
Net revenue	467,122	*511,905
Previous surplus	1,539,189	1,106,517
Less: Adjustments	42,767	19,297
Taxes, 1940	217,146	59,935
Surplus forward	1,831,933	1,539,189

*Loss.

Working Capital

	1941	1940
	$	$
Current assets	2,410,588	2,195,065
Current liabilities	1,359,385	1,745,099
Working capital	1,051,203	449,966

St. Lawrence Corp.

St. Lawrence Corp., holding company for Brompton, St. Lawrence Paper Mills and Lake St. John Power & Paper, reports total income in 1941 of $596,214 ($521,679 in 1940). Earnings were $2 a share on the class "A" stock, against $1.73 in 1940.

Only change of interest in the balance sheet is an increase in the bank loan from $222,345 to $293,359.

Comparative figures on the income and surplus account follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	596,214	521,679
Less: Expenditures	16,475	12,439
Net profit	579,739	509,240
Less: Div. on A	579,221	516,474
Surplus	518	d7,234
Add: Prev. surplus	25,780	33,015
Surplus forward	26,298	25,780
Earned: A pref.	$2.00	$1.73

St. Lawrence Paper

St. Lawrence Paper Mills reports net profit in 1941 of $3.98 a share on the preferred against $4.14 in 1940. Total income was $1.6 million, $29,000 more than in 1940.

Working capital increased from $2.3 millions to $3 millions. Cash advanced around $5,552 to $767,442. Inventories were off $450,000 at $2 millions. The bank loan of $540,700 was liquidated, while 2,620 shares of preferred stock were purchased and cancelled.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Oper. profits	*1,539,404	1,618,804
Div. Lake St. John	†108,000	nil
Total income	1,647,404	1,618,804
Less: Depreciation	732,493	732,789
Depletion	44,282	40,648
I: c. tax prov.	325,000	267,076
Net profit	545,629	*578,290
Pref. dividend	‡521,765	355,252
Surplus	23,864	223,038
Previous surplus	539,717	301,531
Adjustments	......	18,935
Prior year's taxes	......	3,787
Surplus forward	563,581	539,717
Earned: Preferred	$3.98	$4.14
Paid	3.75	2.00

*Including $709,406 premium on U. S. funds (against $585,635 for previous year) and after executive salaries of $35,189; directors' fees of $2,930, and legal fees of $2,558. †Dividend of $6 per share on preferred stock, all held by St. Lawrence Paper. ‡Preferred dividend of $3 per share paid in 1941 and 75c. per share payable Jan. 15, 1942, and including U. S. exchange of $6,286 on dividends to U. S. shareholders.

Working Capital

	1941	1940
	$	$
Current assets	3,829,162	3,550,448
Current liabilities	800,730	1,242,124
Working capital	3,028,432	2,308,324

James Maclaren Co.

James MacLaren Co., subsidiary of MacLaren Power & Paper Co., reports sales in the year ended Nov. 30, 1941 of nearly $3.6 millions, increase of $300,000 over the previous 12 months. Net revenue before taxes amounted to $796,728, against $660,105 in 1940. Provision for taxes last year totalled $350,000, none shown in 1940.

Particulars of the income and surplus account for 1941 with comparative figures for 1940 follow:

Income and Surplus Account
Years Ended Nov. 30

	1941	1940
	$	$
Sales	3,588,765	3,287,878
Less: Cost of sales	2,633,796	2,300,501
Depreciation	564,819	513,621
Special deprec.	26,612	......
W/o doubtful accts.	......	127,251
Selling expenses	171,933	166,081
Net revenue	241,604	180,000
Add: Other income	555,124	480,105
Less: Tax provision	350,000	......
Net income	446,728	*660,105

*Before tax provision.

Brompton

Brompton Pulp & Paper Co., controlled by St. Lawrence Corp., reports total income in 1941 of over $1.8 millions, against $1.4 millions in 1940. After charges, net profit was $2.78 a share, compared with $2.10.

Working capital improved from $2.8 millions to nearly $3.5 millions. Cash and accounts receivable were up about $500,000 each, while inventries remained much the same.

Comparative figures on the profit and loss account follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Oper. profits	*1,850,589	1,390,119
Add: Invest. income	9,880	13,900
Total income	1,860,469	1,404,019
Less: Depreciation	484,600	455,810
Depletion	10,495	16,134
Inc. & excess prof. tax	†532,628	302,940
Net profit	832,746	629,135
Less: Dividends	600,000	525,000
Surplus	232,746	104,135
Add: Prev. surplus	632,834	533,306
Profits invest. sold	......	2,644
Inc. tax adjust.	......	7,250
Surplus forward	865,580	632,835
Earned per Share	$2.78	$2.10
Paid	2.00	1.75

*After payment of executive salaries of $35,708; directors' fees of $2,390, and legal fees of $1,256.

†Subject to approval of the Income Tax Department.

Note:—Operating profits include following premiums on N. Y. funds: 1941, $218,637, and 1940, $189,394.

Working Capital

	1941	1940
	$	$
Current assets	4,562,420	3,525,668
Current liabilities	1,102,058	693,940
Working capital	3,460,362	2,831,728

Landed Banking

Taxes paid by Landed Banking and Loan Co., Hamilton, Ont., in 1941 totalled $22,582, almost double the 1940 levy. This increase caused a decline in net profit to $4.86 a share from $5.70 the previous year. W. D. Wilson, president, states that repayments on principal and interest were satisfactory and the company's liquid position well maintained. Market value of all bonds and securities held are said to be considerably in excess of the value at which they are carried on the books.

Liabilities to the public showed a moderate contraction during the year. Mortgages and agreements for sale dropped $114,000 to $2,099,640. Cash more than doubled to $128,573.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net earnings	71,264	68,480
Less: Taxes	22,582	11,466
Net profit	48,682	57,014
Less: Dividends	40,000	40,000
Surplus for year	8,682	17,014
Add: Prev. surplus	25,881	23,603
Less: Inv. w/o	7,000	14,735
Surplus forward	27,563	25,881
Earnings per Share	$4.86	$5.70
Paid	4.00	4.00

Liabilities to Public
As at Dec. 31

	1941	1940
	$	$
Debentures	483,317	526,148
Deposits	854,211	873,998
	1,337,528	1,400,146
Secured by:		
Liquid assets	642,623	574,364
Mtges., agmts. & int.	2,099,640	2,213,879
Other net assets*	264,025	278,981
	3,006,288	3,067,224

*Other assets less current liabilities, investment reserve of $41,197 not deducted.

Municipal Finances

Hamilton debenture debt at the end of 1941 was $19 millions. This compares with the all-time high reached in 1933 of $31.7 millions. Principal and interest charges in 1941 totalled $3.3 millions and it is estimated that this year these charges will total $3 millions. A projected statement of such charges on debenture debts shows annual expenses reduced to approximately $2.8 millions in 1943, $2.4 millions in 1944, and $1.9 millions in 1945.

* * *

Victoria.—Net assessment for 1942 is $1.3 million above 1941. For 1942 it amounts to $18.5 millions on land and $29.2 millions on improvements. The same figures for 1941 were land $18.2 millions, $28.2 millions on improvements.

* * *

Woodstock, N.B. — Total receipts from all sources in 1941 was $116,134 against expenditures of $112,384. The surplus of $3,750 compared with a deficit of $6,013 in 1940. Tax arrears outstanding at the end of 1941 were slightly reduced to $46,000 while bank overdraft was reduced from $12,065 in 1940 to $4,870.

* * *

Lindsay.—1941 tax collection on current account were 90.5% on the 1941 levy. Total collections including collection on arrears amounted to $206,623 or 104.5% of the 1941 levy.

* * *

Norfolk County, Ont.—Finished 1941 with a surplus of $21,837. In addition debenture debt was reduced to $107,313 from $135,856 the previous year.

* * *

Waterloo, is expected to show a surplus in its 1941 report of about $12,000. Tax collections amounted to 95.2% of the current levy. As a result of increased revenue, the city financed for the first time without a bank loan. The 1941 tax rate at 24 mills was the lowest in 17 years and further reduction for 1942 in forecast.

* * *

Edmonton.—Tax collections during 1941 totalled $4 millions as compared with $3.9 millions in the previous year.

* * *

Winnipeg, had a surplus in 1941 of $78,000 as compared with a surplus of $320,000 in 1940. The decreased surplus was due to expenditures not foreseen in the budget. H. V. Thompson, city treasurer, in a preliminary estimate forecast deficit for 1942 operations of over $333,000 through the effect of wartime business restrictions.

* * *

Brantford, anticipates no need for bank financing, according to Mayor J. P. Ryan. Prepayments of taxes have been high. In 1941 the city had to borrow $400,000 for current account and $100,000 for welfare purposes. In the last ten years, Brantford has reduced its gross debt by $1.9 millions, a per capita reduction of $69.79.

* * *

Ayr, Ont.—Receipts in 1941 totalled $14,192 against expenditures of $14,958. The deficit of $766 brought total overdraft to $2,866.

* * *

Kingston, 1941 tax collections on current account were 93.36% of the 1941 levy. This compares with 91.4% in 1940. Total tax collections, including arrears, during 1941 were 105.27% of the current levy as compared with 103.3% on a similar basis for 1940. Total arrears uncollected now stand at $52,260 a reduction of $21,600 on the year.

* * *

Vernon, B.C., in 1941 had total receipts of $293,111 against expenditures of $276,846, resulting surplus of $16,265. Tax collections were $128,169 out of a current levy of $142,371.

Halifax Power Income Lower

Nova Scotia Groundwood Pulp Producer Reports Half Year Results

From Our Own Correspondent

MONTREAL.—Income of Halifax Power and Pulp Co., which operates a plant at Sheet Harbour, N.S., for the manufacture of groundwood pulp, was $19,335, but before income taxes, for the six months ended Dec. 31, ($87,814 in 1940).

Gross sales declined from $521,344 to $470,092, while the cost of sales and expenses increased from $397,560 to $409,298. Other income dropped to $7,786, against $17,631 a year ago.

Working capital at the year end was $288,753, ($296,616 the year before), after providing for reduction of $8,000 in the long term debt.

THE STERLING TRUSTS CORPORATION

Balance Sheet, December 31st, 1941

ASSETS

CAPITAL ACCOUNT:		
Office Building and Office Equipment	$ 94,719.68	
Real Estate held for sale	125,121.76	
Mortgages and Agreements for sale	431,039.30	
Stocks and Bonds	133,485.61	
Loans on Stocks and Bonds	776.58	
Advances to Estates and Trusts	56,544.49	
Accounts Receivable	11,539.55	
Cash on Hand and in Banks	56,830.98	
	$ 910,057.95	
GUARANTEED ACCOUNT:		
Mortgages	$ 1,891,322.19	
Government and Municipal Bonds	403,553.90	
Cash on Hand and in Banks	95,505.35	
	$ 2,390,381.44	
ESTATES, TRUSTS AND AGENCIES:		
Investments and Assets held	$ 5,306,784.22	
Cash on Hand and in Banks	199,417.69	
	$ 5,506,201.91	
	$ 8,806,641.30	

LIABILITIES

CAPITAL ACCOUNT:		
Capital Paid Up	$ 803,300.00	
Reserve Fund	50,000.00	
Reserve for Taxes	13,500.00	
Accounts Payable	1,453.97	
Dividend payable January 2, 1942	12,048.22	
Profit and Loss Balance	29,755.76	
	$ 910,057.95	
GUARANTEED ACCOUNT:		
Guaranteed Trust Certificates	$ 1,986,467.64	
Deposits	403,913.80	
	$ 2,390,381.44	
ESTATES, TRUSTS AND AGENCIES	$ 5,506,201.91	
	$ 8,806,641.30	

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1940	$	28,440.41
Net Profit for year		43,663.37
	$	72,103.78
Appropriated as follows:		
Taxes (estimated)	$	14,918.66
Reserve for Depreciation		2,333.11
Dividends		24,096.25
Paid into Retirement Fund		1,000.00
Balance carried forward to 1942		29,755.76
	$	72,103.78

NEW DIRECTOR

C. S. Band has been elected a director of Toronto General Trusts Corp. Mr. Band is vice-president of Gutta Percha & Rubber Ltd.

New Books

From Watt to — What?

SOMETHING WENT WRONG. By Lewis Browne. Published by the Macmillan Co. of Canada, Toronto. Price $4.

From the time when the steam engine was invented in 1776, and harnessed by Britain to the Industrial Revolution, down to the present day, Mr. Browne traces the route that the procession of economic history has traversed. His history moves at a swift pace through generations of social advance and social decline. His purpose, apparently, is to seek to discover why so much growth in trade and knowledge have not brought security to the average man and peace to the nations. "Something went wrong," Rabbi Browne thinks, as his title suggests, but in some 350 most readable and at all times informative pages, one finds little clue as to the answer. Or perhaps it would be more correct to say that the reader can find the answer he goes looking for: that too much rugged individualism is our trouble or too much Marxism. Rabbi Browne himself is either neutral—or not lucid enough.

Programme for Leftists

WE DISCUSS CANADA. Introduction by Sidney Smith. Published by Ryerson Press, Toronto. Price 75 cents.

The avowed purpose of this little study is to provide an outline of reading and a programme for young men's discussion groups. It is more revealing as an indication of what is in the minds of the younger Leftists of Canada than as an honest programme of study for groups desirous of getting at all the facts. The questions suggested are all "slanted" and the reference books cited are weighted with radical texts. The book is a Y.M.C.A. publication but might well have been produced by the C.C.F.

Computing Income Tax

YOUR INCOME TAX (Dominion of Canada), by A. R. McMichael, chartered accountant. Published by The Musson Book Co. Ltd., Toronto. Heavy paper cover, price $1.

Every married person making over $1,500 a year and every single person getting over $750 must pay income tax. Likewise almost every wage earner has to pay National Defense Tax. There are, however, certain exemptions allowed in both cases for dependent relatives. For income tax other deductions for charitable donations, and expenses, depreciation, etc., can be made. This book tells, in non-technical language, how to compute the amount of tax due. Changes due to amendments to the act in 1941 are noted. There are complete chapters also explaining the National Defense Tax and the Excess Profits Tax, for individuals and partnerships.

You Have a War Job Now

SO YOU WANT A WAR JOB? By Charles Clay. Published by Oxford University Press, Toronto. Price 75 cents.

Mr. Clay outlines the thousand and one ways in which the average man or woman can help along with the war effort. He shows that every civilian already has a "war job," and outlines means of carrying on the job effectively every day.

Credit's Story

THE SINEWS OF AMERICAN COMMERCE. Roy A. Foulke. Published by Dun & Bradstreet, Inc., New York.

The application of credit has been a great and vital factor in the growing economic life of America. In its early days it was a product of the activity of merchants in colonial America. There were modest pawnbroking activities in the early days and in the middle of the 18th century fire insurance companies began to grant organized credit through mortgages.

About the outbreak of the Revolutionary War the first commercial bank was established. Specialization in credit has since proceeded in many directions. Recent developments have featured U. S. government agencies as sources of credit.

Mr. Foulke's story of this development is in two parts.

He first deals with the development of the use of credit from the founding of the first English colonies in America down to today's complicated and specialized instrument which is so universally a tool of modern business.

The second part tells the story of the work of the mercantile agency as a source of credit rating information. It tells the story of the growth of the three organizations which are now incorporated as Dun & Bradstreet, a history which goes back to the founding of The Mercantile Agency in 1841. It tells how credit reports are gathered and the services which Dun & Bradstreet supply today.

Mr. Foulke, who is manager of the specialized report department for Dun & Bradstreet, defines credit in words which also tell much of the job it does, when he says:

"Credit has been called a commodity, a perishable currency, a right of action, and many other terms far more rhetorical and legal. It is in truth a power rather than a thing, for it generates an energy which society utilizes in the profitable exchange and distribution of goods. The credit dollar is a much more potent element of sales energy than the cash dollar as the credit transaction is often the beginning of a long and profitable relationship. It is the credit dollar upon which sustained relationships are built, and around which such human attributes as confidence, courage and ability revolve."

Tribute to Jackman

ESSAYS IN TRANSPORTATION. Edited by Prof. Harold A. Innis. Published by the University of Toronto Press, Toronto. Price $2.50.

The various chapters in this volume were originally delivered as lectures at the University of Toronto. Their publication in book form is a tribute to Prof. W. T. Jackman, formerly professor of transportation at the University, who recently retired.

Getting on in the World

THE FACTS OF LIFE IN BUSINESS. Published by Longmans, Green and Co., Toronto. Price $2.

Do you want to get ahead in business? Mr. Browne's book is an effort to give usable advice to the young man or woman who wants to achieve success.

His first rule is to acquire a "scarcity value," to have something that will sell. His second rule is to learn how to sell it. Both points are skilfully elaborated in a helpful readable volume.

"... and there will always be a London"

London has so many things to fight for — things old, precious, deeply loved! Through its long centuries of cultivated living it has developed, among other things, the world's finest pipe tobaccos. Piccadilly is the heir to this tradition, being made in Canada scrupulously to an old and honoured London formula.

Piccadilly LONDON SMOKING MIXTURE MILD

Power Corp. Output is Up

Energy Produced in 1941 Up 7.39%—Canada Northern Decline

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada subsidiary and affiliated companies report December output of 257.9 million kw.h., bringing the year's returns to 2,719 million kw.h. December, 1940, the group produced 223.2 million kw.h., and for the full year 2,532 million kw.h.

On the basis of annual returns five of the six companies in the group report an increase. Canada Northern Power Corp. was the only unit to report a decrease.

Comparative figures for the 12 months ending December, 1941 and 1940, follow:

KW.H. Output

	December 1941	December 1940
Southern Canada	23,027,160	21,857,540
Canada Northern	54,489,715	62,435,766
East Kootenay	11,790,534	8,749,822
B. C. Power	68,376,707	63,331,572
North. B. C. Pwr.	1,456,020	1,188,948
Winnipeg Elec.	98,803,900	65,637,300
Kw.h.	257,944,036	223,200,948

Up 34,743,088 kw.h.=15.52%.

	Year Ended Dec. 31 1941	Year Ended Dec. 31 1940
Southern Canada	245,681,366	242,060,215
Canada Northern	731,387,425	742,829,599
East Kootenay	113,287,406	106,239,490
B. C. Power	675,528,935	636,896,376
North. B. C. Pwr.	15,125,728	13,271,980
Winnipeg Elec.	938,447,400	791,034,900
Total output	2,719,458,260	2,532,332,560

Winnipeg Electric Gross Is Higher

Gross earnings of Winnipeg Electric Co. for 1941 totalled $3.2 millions, a gain of $443,219 from the $2.8 millions earned in 1940, according to a report submitted to the Winnipeg City Finance Committee.

On these earnings, the company paid taxes of $168,480, an increase of $22,720. The 5% tax on earnings totalled $161,740 and the tax on individual cars reached $6,740 during 1941 operations.

CONFIDENCE...

AND Victory!

WITH grim but quiet determination the people of Canada and the United States carry in their minds and hearts the conviction of complete and final Victory over the enemies of freedom.

This will to win and to hold fast to their chosen way of life is reflected by nearly seventy million people throughout these two countries who continue to maintain their life assurance because they know it is the best means of ensuring future economic security for themselves and their families. Their confidence serves a dual purpose, for their savings have also made possible the great investments of the life companies in the Victory and National Defense loans of our North American democracies.

ASSURES SECURITY

SUN LIFE OF CANADA

From the 1941 Annual Report:—New Assurances issued during the year: $187,041,959. Total Assurances in force: $2,971,747,088. Benefits paid during the year: $88,312,394. Total Receipts: $169,346,875. Total Assets at Dec. 31, 1941: $995,518,009.

Buy VICTORY BONDS

For copy of Annual Report, apply to nearest branch.

11 WAYS PRINTERS AND ADVERTISERS CAN Save paper

1 Eliminate Waste of Every Kind —Don't print anything that isn't necessary.

2 Plan Your Printing Carefully — Does it cut out of a sheet advantageously? Would a change in size help?

3 Avoid Overruns — Check your exact needs before ordering. Keep spoilage to a minimum.

4 Avoid Deadheads — Don't mail folders to corpses, or absentees —check mailing lists frequently.

5 Avoid Frills—Keep the tricks up your sleeve till the war is over. You'll need them then. Avoid French folds—avoid die-cuts unless essential—(dies are hard to get too). Make little folders do a big job.

6 Save Whitespace — True, whitespace is an effective attention getter—but there are other ways of attracting attention. Make every inch of paper work today. "Whitespace" is another trick that will work well after the war.

7 Avoid Fancy Finishes and Colours — Canada's Paper Mills are working to capacity these days. Fancy finishes and special colours take valuable time for changeovers. The mills can turn out more paper by sticking to staple lines. Already many finishes and colours have been discontinued — others may have to be. Help us use the mills to best advantage.

8 Use a Good Printer—Wartime is no time for experiments. If you are a buyer employ a printer who knows his job and can do it without waste. If you are a printer know your job and do it well.

9 Print on Both Sides of the Sheet —Today it doesn't hurt to sacrifice a little dignity. We've all got our sleeves rolled up.

10 Use Self Mailers—Design broadsides to be self-mailers with the stamps clipped over the edge. Remember, envelopes are paper. There are also reversible envelopes which can bear your message and serve their primary purpose too.

11 Save Scrap Paper—Give it to a Charity collection agency or sell it to a dealer. Sorting increases its value. Don't burn it or destroy it.

PAPER makes bullets

PROVINCIAL PAPER LIMITED Head Office: 388 UNIVERSITY AVE., TORONTO Branch Sales Office: MONTREAL

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

Soper Succeeds Quain As Ottawa Car Head

Harold Soper, senior director, has been elected president of the Ottawa Car & Aircraft Ltd. in succession to Redmond Quain, K.C., who has held the post of president and managing director since 1938.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED — 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1941), $12,531,188

J. P. LANGLEY & CO.
C. P. Roberts, F.C.A., W. F. Houston, A.C.A.
CHARTERED ACCOUNTANTS
TORONTO — KIRKLAND LAKE

IMPARTIAL TREATMENT

This trust company, uninfluenced by the importunities of beneficiaries, the clamour of relatives, or the mistaken advice of friends, administers an estate so that all concerned receive impartial treatment.

Appoint Montreal Trust Company Your Executor

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street — Toronto
J. F. HOBKIRK, Manager

The British Mortgage & Trust Corporation of Ontario

STRATFORD

Balance Sheet, December 31st, 1941

ASSETS

CAPITAL ACCOUNT:			
Office premises	$ 56,157.71		
Furniture and fixtures	6,499.76		
			$ 62,657.47
Real Estate for sale			460,524.80
Mortgages on real estate in possession or control of mortgagee: Principal			302,574.80
Mortgages and Agreements for Sale:			
Principal	$ 414,495.24		
Interest due and accrued	2,321.83		
			416,817.07
BONDS AND DEBENTURES:			
Government Bonds:			
Principal			9,013.34
Canadian Municipal Bonds:			
Principal			31,837.43
Stocks owned at book value			445,228.32
Cash on hand and in Bank			195,139.86
Advances to Estates			7,239.06
TOTAL CAPITAL ASSETS			$1,931,032.15
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$3,292,766.09		
Interest due and accrued	78,311.65		
		$3,371,077.74	
BONDS AND DEBENTURES:			
Government Bonds:			
Principal	$ 663,823.61		
Interest accrued	6,060.00		
		669,883.61	
Government Guaranteed Bonds:			
Principal	$ 118,219.45		
Interest accrued	1,449.00		
		119,668.45	
Canadian Municipal Bonds:			
Principal	$ 138,496.89		
Interest accrued	2,699.00		
		141,195.89	
Stocks owned at book value		1,214,816.14	
Cash on hand and in bank		236,572.78	
TOTAL GUARANTEED TRUST ASSETS			$5,753,214.61
ESTATES DEPARTMENT:			
Estates, Trusts and Agency Funds			$ 850,301.22
			$8,534,547.98

LIABILITIES

CAPITAL ACCOUNT:			
Capital Stock fully paid up			$1,000,000.00
General Reserve Fund			500,000.00
General Investment Reserve			325,000.00
Reserve for Taxes			18,104.19
Profit and loss credit balance			47,507.93
Dividends payable 2nd January, 1942			40,000.00
All other liabilities			420.03
Total Capital Liabilities			$1,931,032.15
GUARANTEED TRUST ACCOUNT:			
Guaranteed Investment Receipts:			
Principal		$3,348,927.40	
Interest due and accrued		34,463.77	
			$3,383,391.17
Trust Deposits:			
Principal and Interest			$2,369,823.44
TOTAL GUARANTEED TRUST LIABILITIES			$5,753,214.61
ESTATES DEPARTMENT:			
Estates, Trusts and Agency			$ 850,301.22
			$8,534,547.98

NELSON MONTEITH, President.
W. H. GREGORY, Managing Director.
Toronto, Ontario, January 10th, 1942.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Dominion Bridge

How is Dominion Bridge doing currently? What is its longer term outlook?

Dominion Bridge Co. has reported by far the largest tonnage output in its history in the year ended Oct. 31, 1941. A large proportion of the company's work is now on war materials. Last year the company earned $1.89 a share as compared with $1.36 in the previous year. Regular quarterly dividends are $1.20 a share and continue to be paid, maintaining a record of unbroken dividend payments since 1899. Like other steel companies, this concern is likely to be very active during wartime and it has demonstrated its ability to carry on during peacetime conditions.

B.C. Packers

How has B.C. Packers been doing recently? Will the Jap situation have any effect on the company?

Indicative of the improved position for British Columbia Packers is the declaration of an initial dividend of $1.50 a share on its common stock, payable March 16 next. Last year's pack of salmon was about 55% higher than a year ago and it is expected that the company will make an appreciably better showing in the year which ends April 30, next.

About two thirds of British Columbia's salmon pack has been purchased by the British Ministry of Foods and, in addition, large orders for canned herring are being filled in British Columbia.

For 1942, conditions may be changed by the effects of the war in the Pacific. Much of the fish was actually caught by boats operated and owned by Japanese and currently efforts are being made to ensure that these boats will be used for this year. Because the company's export business is sold under contract to the British Ministry of Food and also because of the possible influence of price control in this country, it seems that the company will face increasing difficulties in 1942. It will not be a case of lack of demand for its products, but rather one of trouble in obtaining adequate supplies of fish and also perhaps tin plate and other supplies.

Ford of Canada

Please let me have some idea of the impact of war conditions on the earnings of Ford of Canada.

With production of cars and trucks for civilian use virtually discontinued, Ford Motor Co. of Canada becomes almost entirely dependent upon war business. There seems little doubt but that the company's plant facilities will be used to capacity turning out war equipment. It has already carried through most of the reorganization necessary to switch from peace to war work and is in a position to carry on.

Little indication of what 1941 earnings may have been is yet available although it is known that the company worked at its tooled capacity almost through the year. There seems good reason to expect that it will be able to continue to pay $1 a share dividend as it has for a number of years, particularly as the company's financial position is strong and it has recently completed an important programme of plant improvement and expansion. End of the war would mean return to former markets, in so far as possible, and would probably mean the company attempting to regain its export markets which, in prewar days, took about 50% of its output.

Dominion Textile

What is the level of activity for Dominion Textile? Do its shares have a good record?

Capacity operations are the rule at the plants of Dominion Textile Co. A great variety and quantity of textile products entering into war use are being produced, many of which are exported to various parts of the British Empire. Company's products turned out for civilian use are subject to price ceiling regulations, a fact which will probably limit earnings from this source. As a leading unit in the textile industry in Canada, the shares of Dominion Textile Co. have always been well regarded and have a record of long-term dividend payment which is difficult to match.

Canadian Canners

What is the 1942 outlook for Canadian Canners?

Canadian Canners Ltd. reports sales for the first part of this year showing satisfactory improvement over the corresponding period a year ago. It is not known definitely whether this continued through to the end of the year which comes Feb. 28 but there seems no reason to expect that it didn't. Last year's canning season was better than average which would give a good volume of canned fruits and vegetables to supply the continually growing demand of consumers both in this country and abroad. What will happen over the 1942 season is hard to forecast. It must be remembered that there is a shortage of tin although it is thought that every effort will be made to provide adequate supplies for canned fruit and vegetables. Price control is another factor which must be considered and, the way it stands at present, this threatens to hit the canning industry quite hard.

Page-Hersey

With all these wartime changes, can you tell me if Page-Hersey is managing to hold its own?

Page-Hersey Tubes, Ltd., reports operations in all its plants at capacity throughout last year and expects to continue that way. The company has been forced to eliminate civilian requirements in order to meet the needs of the Dominion's industrial war effort. This company makes pipes and tubing for practically every industrial purpose. In 1940 its operations achieved an all-time high, although net profits did not reflect this entirely, being equivalent to $5.41 a share on the common, as compared with $6.46 a share in 1939.

Canada Steamship

Do you expect the 1941 report for Canada Steamship Lines will show any improvement over 1940? What about this year?

Canada Steamship Lines is expected to report earnings on its common shares for 1941 above the $1.28 a share reported for 1940. Last year was one of the busiest seasons on record for the company. Revenues showed a sharp increase and, in spite of heavy taxation, there is expected to be a substantial balance available for the common stock after preferred dividends. For the coming year, it is expected that another busy season will be experienced by the company with capacity demand for its facilities. The company has a substantial amount of shipbuilding construction under way at its yards and has chartered five of its boats for service on the Atlantic during the winter months.

Your Income Tax

Deadline for income tax returns is March 31, a month earlier than usual. In this weekly column, The Financial Post answers the problems you may have in computing your tax.

Helps Support Mother

I am a working woman and live with my mother in a large house which it seems impossible to sell. Between us we keep up the house and pay taxes of $150 to the city. My gross income is $1,400 and my mother's $600. My mother is over 80 and frequently sick, entailing considerable expense. The house is not in my name so I am not classed as a householder. What exemption can I claim for income taxes? The firm I work for deducts National Defense Tax from my salary.

As things stand you are not allowed exemption from income tax except the $750 allowed a single person. Nor can you claim any allowance from National Defense Tax. You cannot claim the larger exemption from income tax because you are not maintaining a self-contained domestic establishment in which you support a wholly dependent blood relative. According to a ruling by the income tax department, any person receiving an income of over $400 is not considered wholly dependent.

It is possible that if you wrote the inspector of income tax in your district telling him what your expenses are in connection with your mother, etc., you might get some allowance for both National Defense Tax and income tax.

One other way you might be able to save something is to have your mother turn over her estate to you, paying gift tax on it. Your total income then would be $2,000, your mother would have no income and would be wholly dependent on you, and you could claim the $1,500 exemption as a householder supporting a wholly dependent relative. You would probably also be allowed something on National Defense Tax for your mother's support. In any case, the advice of the Income Tax authorities should be sought.

Pension and Annuity

I am a married man with no dependents. I receive a pension of $100 a year from the C.P.R. I also have a Dominion government annuity from which I receive $1,100 a year from the C.P.R. I also investments which bring my total income up to about $4,000. To what exemption am I entitled in respect of my annuity and the pension? If National Defense Tax is not deducted at the source, is it payable when my income tax return is made?

Your government annuity will be tax free if the contract for it was entered into between May 26, 1932 and June 25, 1940. If the contract was entered into before May 26, 1932 an annuity is tax free up to $5,000.

In regard to your railway pension, if this is based partly on contributions by yourself and partly by the company, the part based on your own contributions would be tax free. You would be well advised to take up the matter with the railway authorities, as they could tell you the exact position.

As a married man you are allowed an exemption of $1,500 on your general income for tax purposes. National defense tax, if not collected at the source, is payable when you make your income tax return. A widower is allowed exemption of $750.

Part-time Resident

My sister, who has been living in the United States, where she made an income tax return each year, came to Canada to live about May 1 last year. She has some investments in the United States as well as in Canada. Where will she file her income tax return now? What should she show in it?

As your sister was a resident of Canada for more than 183 days in 1941, she will be required to file an income tax return here. This should show her income from all sources less any exemptions to which she may be entitled. The balance is her net taxable income. She will also have to pay tax to the United States government on her investments in the United States. This will probably be deducted at the source, if the parties paying the tax know she is living in Canada. It is possible she might also have to pay income tax to the United States government on her income received in 1941 up to April 30. In this case she would be allowed a reduction in her Canadian income tax equal to the amount of tax payable on the four months income in the United States computed at the average Canadian rate payable on her total income.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg.,
Toronto — AD. 5457

Labor Shortages Develop Hit West Coast Industry

From Our Own Correspondent

VANCOUVER.—Drain of manpower to the fighting forces and war industry is beginning to create labor shortage in British Columbia, with the prospect of considerable dislocation during the coming months unless relief is found.

Even plants engaged in war work are obliged to operate at considerably less than capacity due to inability to "break in" sufficient skilled workmen.

Still On Low Schedule

While United States shipyards along the Pacific coast have adopted an unprecedented programme of operating on a 24-hour seven-day basis, shipyards on the Canadian west coast are still running on a five and a half day schedule, with small likelihood of increasing it in the early future.

Vancouver shipyards engaged in the production of 10,000-ton cargo ships are operating three shifts five and a half days a week—a total of 44 hours, and some operators claim that they are having difficulty in rounding out their complete shifts. They are not in favor of a full seven-day week, but would like to see general adoption of a six-day schedule. The answer, they say, lies in additional man power.

Equipment Deliveries Hurt

Supply of steel apparently is a secondary problem with the shipyards, but at the big Boeing aircraft plant, also working at less than capacity, the chief trouble has been tardy flow of equipment. Priorities have delayed delivery of essential parts from the Consolidated Aircraft plants in the United States, with which Boeing is co-operating, but the situation is said to be improving steadily.

The lumber industry is being called on for maximum production this year to fill contracts with the Canadian and British governments as well as to meet requirements in the United States over and above what the American mills can supply, but lumbermen claim that logging camp operation has been curtailed owing to loss of good men to war plants and the army and navy.

In some timber areas the gradual enlistment of Canadian and British born loggers has resulted in many camps depending largely on foreigners, such as Finns and Scandinavians and Slavs.

The lumber industry will be affected only slightly by withdrawal of several hundred Japanese as a result of Ottawa's order against enemy aliens. The pulp mills, however, will have to replace many hundreds of regular Japanese workers. One pulp and paper company alone employed 400 Japanese until recently, and many of them were engaged in classes of labor for which it has always been difficult to find suitable white men.

Fishing Industry Hit

So far as Japanese are concerned, the fishing industry will be hit hardest by the withdrawal order and immobilization of 1,100 Japanese fishing vessels. However, arrangements are now being made to have these craft turned over to white and Indian fishermen and cannery executives say that when the transition has been completed no trouble should be experienced in maintaining the quota of salmon and herring production in which Japanese played an important part last year.

Fraser Valley farmers complain of a shortage of labor, and the same condition applies in the Okanagan fruit area and other agricultural communities, where it is expected that women will be employed to a much greater extent than ever before this year.

New Locale Not Settled

Where the Japanese to be removed from the coastal "defense area" will eventually be placed has not yet been settled, but it is likely that many of them will be placed in communal settlements in interior farm areas where they will be given supervised farm work.

Naturalized and Canadian-born Japanese will be allowed to remain on the coast, many of them as volunteers in a proposed civilian corps for "national work." In that way the movement of Japanese will not result in a 100% loss of their services in industry.

Horsehair To Substitute In Paint Brush Bristles

Owing to the steadily rising price of wild boar bristles from China in the last year, and the increasing difficulty in securing fresh supplies from that source some major changes are being made in paint and varnish brushes for 1942, according to Hardware and Metal.

Canadian brush makers have secured permission from the Wartime Prices and Trade Board to mix horsehair in certain percentages with bristles in various sized brushes providing this will not affect the intrinsic value of the brushes. First and most obvious reason for this permission is to conserve the limited stock of bristles presently available. Second reason is to maintain prices established on paint and varnish brushes last July, despite an increase in the cost of bristles of well over 50% since that date, and to avoid the necessity of a subsidy to make up the difference in costs.

Last time horsehair was used in the manufacture of paint brushes in Canada was during the last war. Since that time more has been learned about the treatment of horsehair to make it more satisfactory for use in brushes. With the supply of bristles becoming steadily more scarce in the last few months manufacturers have been doing considerable experimenting to produce a brush, with less bristles, which would have satisfactory wearing qualities.

The Canadian brush industry is also eliminating some grades of brushes where differences between grades were of minor importance.

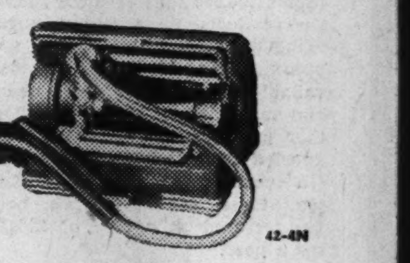
NEWS FLASHES FROM MANILA . . . SINGAPORE . . . HAWAII . . . TO YOU!

Action—while it's happening—is transmitted by CBS correspondents from the ends of the earth directly to you. Broadcasts from Tokyo; Berlin, Moscow, Cairo, etc., are picked up by the shortwave receivers on Long Island and "piped" to CBS Listening Station in New York where they are . . :

. . . Recorded on Ediphone cylinders. Foreign language broadcasts are translated and all are typed. In a matter of moments the world news is on the wires of every press association to news tickers in the War and Navy Departments, in the State Department, and newspapers from coast to coast.

Maj. George Fielding Eliot, Elmer Davis and William L. Shirer (l. to r.) famous CBS analysts, interpret news and military action to you with notes typed from Ediphone recordings. A vital necessity in the accurate recording of news, Ediphone dictation systematizes and speeds the flow of correspondence, notes, memoranda, etc., through CBS's huge New York office . . . Ediphone Voice Writing is contributing an estimated 100,000 extra man-hours of accomplishment per day to America. If you need to create executive time (and particularly if your business is war production) phone "Ediphone" (your city) or write—Thomas A. Edison of Canada, Ltd., 610 Bay St., Toronto.

Sales and Service Offices throughout Canada.



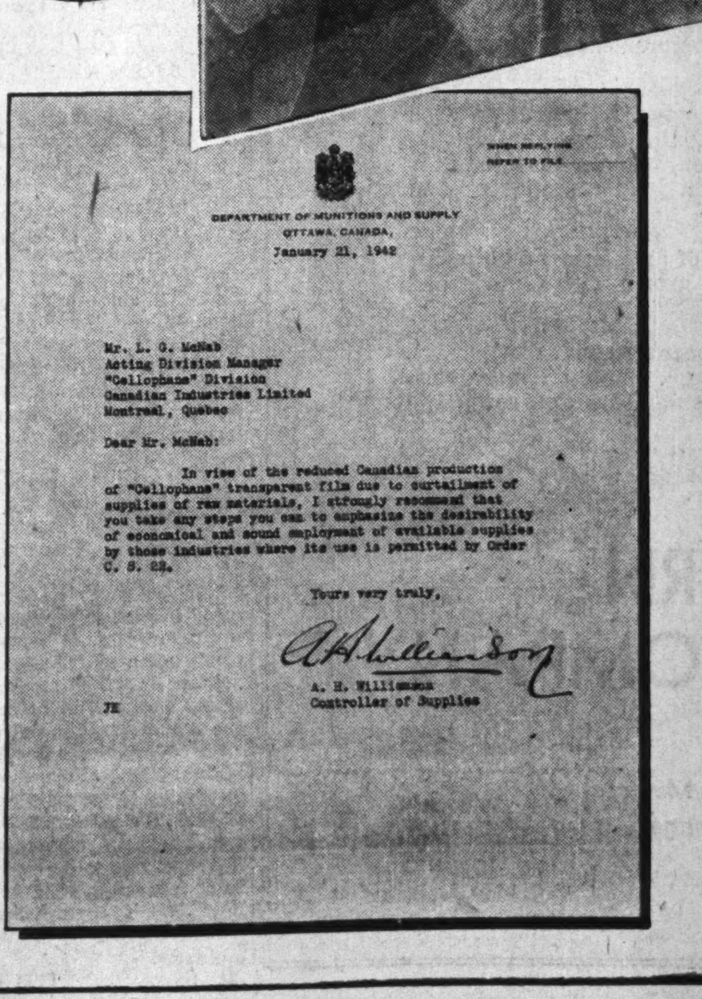
EDISON VOICEWRITER Ediphone

42-4N

C. I. L. Awards Contract For Warehouse Space

Canadian Industries Ltd. has awarded a contract to Pigott Construction Co. for an extension to its present fertilizer warehouse at Hamilton. New building will double the size of the present premises and cost in the neighborhood of $25,000.

Send for this Booklet....



DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA,
January 21, 1942

Mr. L. G. McNab
Acting Division Manager
"Cellophane" Division
Canadian Industries Limited
Montreal, Quebec

Dear Mr. McNab:

In view of the reduced Canadian production of "Cellophane" transparent film due to curtailment of supplies of raw materials, I strongly recommend that you take any steps you can to emphasize the desirability of economical and sound employment of available supplies by those industries where its use is permitted by Order C.S. 26.

Yours very truly,

A. H. Williamson
Controller of Supplies

It contains vitally important packaging information

TODAY, more than ever before, the waste prevention qualities of "Cellophane" are of vital importance. But production of "Cellophane" has been severely reduced, since raw materials used in its manufacture are urgently required for war supplies; consequently, it's essential that you make the best possible use of the "Cellophane" that is available—that you get more "mileage" out of this transparent, protective packaging film.

This booklet gives you practical, detailed information on how wrapping technique can be improved, how savings as high as 30% may be effected in the amount of "Cellophane" required to package different products. Every manufacturer and retailer should read this interesting, informative booklet—copies will be gladly furnished on request. Write to "Cellophane" Division, Canadian Industries Limited, P.O. Box 10, Montreal, Que.

Cellophane TRADE MARK
C-I-L CELLULOSE FILM

Newsprint Rationing Not in Prospect

Supply Appears Assured Barring Drastic Change in War Picture

By JOHN LANGDON

MONTREAL.—Talk of rationing newsprint paper in the United States, Canada, or both is not based on official information or developments.

The American Newspaper Publishers' Association has had to put out a special bulletin discussing the newsprint supply situation because of rationing rumors.

Enquiry in official and semi-official circles indicates that talk of rationing, or at least the greater part of it, is based on misunderstanding and half-knowledge of the situation.

Reasons for Rumor

Four factors have contributed to the present crop of rumors:

(1) The misunderstanding which developed when Canada made it necessary for an exporter of pulpwood to secure a permit. Many American papers carried the story and not a few reported permits were necessary for "pulp." Naturally the placing of pulp exports under permit implied a shortage of pulp and in turn paper, so that many assumed newsprint rationing was in prospect.

U. S. Rations Chemical Pulps

(2) Pro-rationing of pulp already has been instituted in the United States, making certain grades of paper difficult to get. Talk of a shortage of certain types of paper has led to the belief that newsprint was involved, few realizing that the types of pulp affected are only a small part of the pulp used in making newsprint.

(3) There has been a great deal of talk about waste — waste of rubber, tin, etc., with paper prominently mentioned. The need of conserving paper has stimulated rationing talk.

"Leak" as to Study

(4) Belief of possible rationing also results from a possible power diversion, to supply more electrical energy to war industries. There has been a "leak" in this connection. It is true that government officials are considering ways and means of curtailing use of power, but The Financial Post is in a position to say that power curtailment is only in the study stage and no representations have been made to the newsprint companies.

No Basis for Rumors

At this stage there is no justification, official or otherwise, in the talk of rationing newsprint.

The Office of Price Administration in the United States has definitely said there is no plan for rationing.

The matter has not been mentioned by Donald Gordon, head of the Wartime Prices & Trade Board in Canada, nor, as far as can be learned, has he discussed it with the industry or Canadian publishers.

Naturally it is impossible with events moving so rapidly to say that there will be no rationing of newsprint during this war. Conditions may develop which might make such a move not only desirable but absolutely necessary.

Looking as far ahead as is possible at this time, it can be said publishers have no need to fear rationing.

Can Supply Demand

The Canadian newsprint mills which supply all the domestic needs and some 68% of the United States needs, can maintain adequate supplies of newsprint paper for regular contract customers.

While it is true the industry at present is producing certain scarce kraft substitutes, at a rate of 225,000 tons annually, it has assured U. S. publishers time and again (within the last few weeks as a matter of fact) that there is no shortage of newsprint for regular contract customers.

Influence Future Supply

This condition can continue indefinitely depending upon certain factors. These factors do not enter into the picture in any large way at present, but are set forth here to show what may influence supply in the months ahead.

(1) Transportation is of some concern in the United States. Canadian railways have shown ability to handle all the traffic offered, but with the American war effort getting into full swing there are signs the U. S. railways may have some difficulty in handling traffic. If the situation got to a point where there was a threat of transportation facilities bogging down, restrictions might be imposed on the movement of products not directly connected with the war effort.

Labor Situation Tight

(2) Shortage of labor. The labor supply is getting tight and by the end of the year may be acute. Notable progress has been made in improving efficiency. Output per man hour today is probably larger than it has ever been. Relatively few men are employed in the mills, and the problem of labor will arise mainly in woods operations. As far as current cutting operations are concerned, the newsprint industry will have all the wood it requires at least for the next year.

(3) Shortage of materials. There has been some difficulty already in getting materials, parts, etc. The situation was complicated by the fact that the Canadian pulp and paper industry had not been able to get a priority rating on certain types of parts, etc., imported from the United States. This condition was corrected less than two weeks ago. This does not always mean that the supplies will be available as and when wanted.

Factors to Consider

(4) Power shortage. This situation already has been outlined. However, it should be kept in mind that pulp and paper, and especially newsprint, is one of the largest single sources of exchange credit which Canada has, and the Dominion government will undoubtedly hesitate greatly before imposing restrictions on operations.

To sum up, there is no immediate prospect of rationing newsprint either here or in the United States. Such a development of course, is possible, depending upon changes in the economic picture over the months ahead. Right now, rationing is not in prospect.

Donated to the campaign to speed-up aircraft production by MacDonald Bros. Aircraft Ltd. of Winnipeg, the above poster was painted from an actual scene in a Canadian aircraft plant. Artist was J. S. Hallam, O.S.A., of Sampson-Mathews Ltd. of Toronto. It is first of a series of posters produced for the Aircraft Production Branch, Department of Munitions and Supply, under the auspices of a special committee of the Advertising and Sales Club of Toronto Inc.

Newsprint Mills Employ Facilities on All-out Basis

From Our Own Correspondent

MONTREAL.—For the first time in the existence of the Canadian newsprint industry, at anywhere near its present size, its productive facilities are being used extensively for products other than newsprint, according to a statement made by Paul Kellogg, deputy president of the Newsprint Association of Canada, at the annual meeting of the Canadian Pulp and Paper Association.

Mr. Kellogg said in some mills fourdrinier machines are being used to dry pulp, largely for shipment to the United Kingdom.

Substitutes for certain scarce kraft products are also being manufactured, notably a nine-point corrugating sheet and to a lesser extent a 40-lb. wrapping sheet.

Some 100,000 tons of these substitute products were manufactured during the second half of 1941, and approximately 15% of the total available productive time of newsprint machines was used for these other products, all of which were exported from Canada.

In recent months, said Mr. Kellogg, these products have been manufactured at a rate of 225,000 tons a year.

Serve Newsprint Customers

Shortly after the outbreak of the war, the newsprint industry in a public statement, pledged itself to maintain stabilized conditions of continuous supply with the co-operation of its customers. It has kept its pledge, said Mr. Kellogg, and has received the needed co-operation from the publishers. "As a result we have, during the past year, filled the newsprint needs of practically the entire free world, within the limits of transportation facilities in the case of overseas shipments."

"The resulting tonnage of newsprint manufactured in 1941," Mr. Kellogg went on to say, "was only slightly greater than in 1940. Of the total, 80% went to the United States in 1941 as against 75% in 1940.

"Stabilized conditions were further reflected in the maintenance throughout the year of the basic selling prices established as long ago as January, 1938.

"Two unusual conditions contributed substantially to the ability of the industry to thus carry on: first, the gains to the industry for an exchange premium on U. S. dollars and second, the use of newsprint machines for other products."

Changes in Prospect

During the war period newsprint manufacturers faced the probability of considerable change in their business. What the nature of these changes will be doesn't yet appear clearly.

"Our troubles are, in most respects, similar to the rest of the industry," concluded Mr. Kellogg, "higher costs, shortage of labor, particularly in the woods, difficulties in getting materials and so on down the list."

Study Pulpwood Price Structure

From Our Own Correspondent

MONTREAL.— Production and domestic prices of pulpwood will be subject to immediate investigation to prevent inflation of prices, A. S. Nicholson, Timber Controller, has stated. Appointment of W. A. Delahey, of Toronto, as assistant timber controller in charge of pulpwood was announced at the same time.

Amplifying the announcement, Mr. Nicholson pointed out that the pulp and paper firms in eastern Canada obtain 70% to 75% of their pulpwood from operations on their own limits. The balance is purchased on the open market from settlers and others.

Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Brown Corp. Undertakes $600,000 Addition

Brown Corp., of La Tuque, Que., manufacturers of kraft and kindred paper stocks, has plans under way for an addition to its mill to provide for considerably increased output. Cost is reported at over $600,000 with machinery.

The finest beverages bear the name O'Keefe's
O'KEEFE'S BEVERAGES LIMITED, MANUFACTURERS OF GINGER ALE, SPECIAL SODA, ETC.

Pulp and Paper Push 'Bits' Plan

From Our Own Correspondent

MONTREAL.—Value of deliveries to date by the Wartime Machine Shop Board of the pulp and paper industry exceeds half a million dollars. The value of work in progress is over $1.5 million, and it is estimated total value of deliveries during 1942 will be about $5 millions. The cash value, it is pointed out, is but a minor indication of the potential output so released by the elimination of "bottleneck" in the heavy war industries served.

In May, 1941, the Wartime Machine Shop Board was set up under the auspices of the Canadian Pulp & Paper Association.

Threefold Programme

The purpose of this board was to co-ordinate the industry for alleviating the shortage of skilled tradesmen and lack of machine tools necessary to prosecute Canada's war effort.

Its programme for the pulp and paper industry was threefold:

1. Increased the number of skilled mechanics by training men within the industry.
2. Up-grade or thin out staffs to make skilled workers available for munitions, other war industries, and for the armed forces.
3. Make such machine parts and assemblies as the maintenance machine shops of the industry are capable of producing.

Secure Excellent Results

The results are:

Some 1,500 mechanics have completed or are undergoing training for the higher categories of skilled mechanical work in practically every one of the 83 pulp and paper mills in Canada.

On various occasions throughout the year, by reason of having initiated this training plan, the industry has been able to release on loan large selected groups of skilled supervisors to instruct partially skilled workers in mechanical work industries, greatly increasing production. In addition, many key men were released to form the permanent backbone of the supervising staffs of newly organized war industries.

Although the training and upgrading of staff under the Wartime Machine Shop Board was conceived by many as a measure to speed maximum production of new war industries, it has also made possible the contribution of a large number of skilled mechanics to the armed forces with detracting from the output of pulp and paper.

Co-ordinate Services

The making of machine parts and assemblies in the maintenance shops of the pulp and paper industry has been rapidly developed by relating their facilities to the needs of heavy war industries, and vice versa, through an engineering advisory service headed by a full-time coordinator.

FOUNDED IN SCOTLAND 1836 ESTABLISHED IN CANADA 1867

OUR FIRST 75 YEARS WITH CANADA

In the year 1867 when the Dominion of Canada was born and the Northern first established its business in Canada, the country was still in its pioneering days. The population was about three and a half million souls and the greater portion of these had their homes in the rural areas and not in towns.

The shrewd Scots of the Northern's head offices had faith in the infant Dominion. They in their field were pioneers too and foresaw with their compatriots in Canada the future greatness of the land.

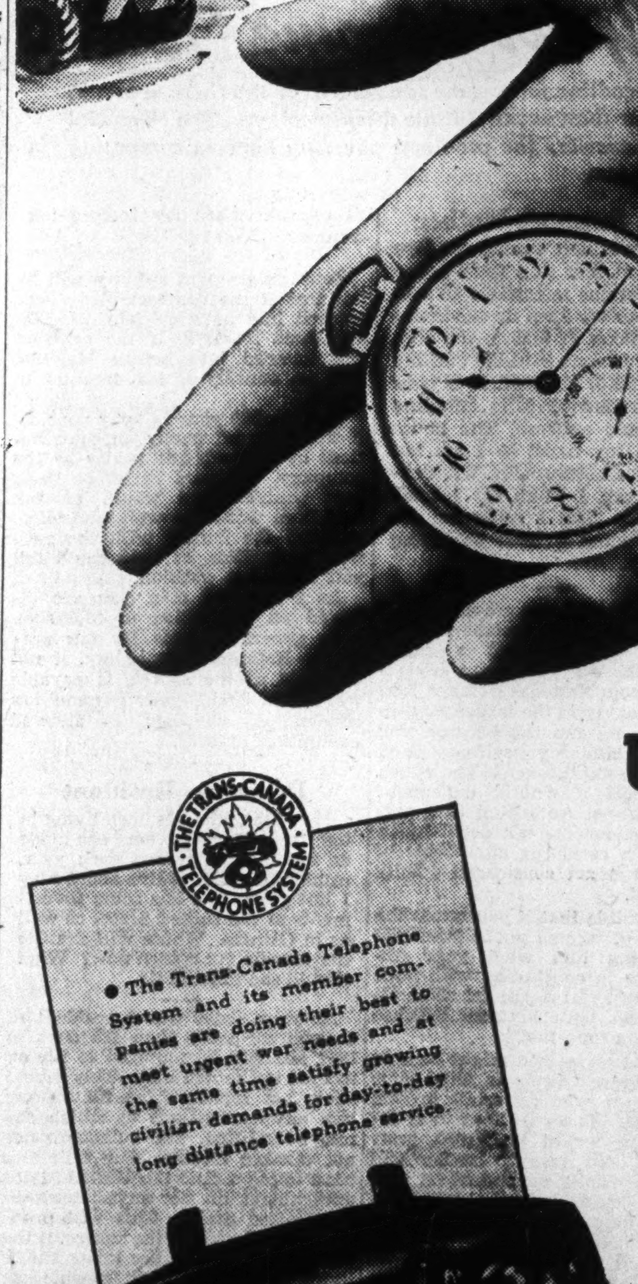
Communications were primitive, the prairies were undeveloped and there was no railway connecting Upper and Lower Canada with either Nova Scotia or British Columbia, hence the Maritime Provinces and British Columbia agents communicated direct with England.

Networks of fast railway systems and smooth highways with speeding automobiles, to say nothing of the space annihilating aeroplane, were all things undreamt of then, but have created in a country of furs and wheat and lumber a land of industry and enterprise.

Steadily, year by year, over these 75 years of progress and setbacks, of trials and triumphs, the Northern has grown with Canada and helped Canada to grow.

Today Canada faces new trials in the pioneering spirit of the past. Tomorrow Canada will again come through, stronger, more self-reliant than ever, pressing on to new attainments and again the Northern will play its part.

THE NORTHERN ASSURANCE COMPANY LIMITED
Aberdeen, Scotland London, England
Head Office for Canada: Montreal
ALEX. HURRY, Manager
WINNIPEG R. O. Taylor, Manager
VANCOUVER W. G. Gerrard, Manager
TORONTO F. O. Lucas, Superintendent



UNFORGIVING MINUTES!

IN this titanic struggle to save our freedom, battles costing thousands of lives . . . battles like that of Greece and Crete . . . were fought, and may be fought again, to gain time — time to make tanks, ships, planes and guns . . . time to train men. Canada's whole war effort is a race against time and, in this race, the long distance telephone plays a vital part because it saves precious minutes, hours and days. As a user of long distance, you can help to keep the service at its normal peak of efficiency. Waste no words! Place your calls so far as possible at off-peak hours. Ask your local telephone company to send a representative to show you, or your switchboard operator, how to get maximum value from your service.

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

Power Demand Gains 20% During 1941

From Our Own Correspondent

MONTREAL.—Net consumption of firm power in Canada last year showed an increase of 19.8% over the preceding year, according to returns compiled by the Dominion Bureau of Statistics.

This abnormal advance in firm power consumption directly reflects the greater wartime needs of industry and the increased buying power of the public.

Greatest increase was recorded by Quebec, which reported advance in firm power consumption of 39.5%. This was five times as much as reported by Ontario and considerably greater than for any other province, either on a percentage or quantity basis.

Net consumption of firm power in Canada by provinces in 1941, with comparative figures for 1940, follows:

Net Consumption of Firm Power
(Thousands of Kilowatt Hours)

	1941	1940	% Gain
P. E. I.	8,666	6,835	26.5
N. S.	477,285	426,068	12.0
N. B.	482,918	432,604	11.6
Que.	11,749,848	8,420,028	39.5
Ont.	10,582,970	9,856,282	7.4
Man.	1,036,940	1,023,342	1.3
Sask.	601,502	555,561	8.3
Alta.	340,311	293,804	16.0
B. C.	2,403,696	2,092,265	19.7
Total	27,684,136	23,106,789	19.8

Record Power Output

Total kilowatt hour production by the central electric stations last year amounted to 33,445 million kw.h., an all-time record contrasting with the 30,080 million kw.h. the year before. The largest increase in production was recorded by Quebec, which accounted for over 50% of the total Dominion gain. Ontario and the other provinces also reported a substantial gain.

Output of Electrical Energy
(Thousands of Kilowatt Hours)

	1941	1940
Prince Ed. Island	8,666	6,835
Nova Scotia	479,853	426,068
New Brunswick	534,835	470,251
Quebec	17,777,290	15,988,451
Ontario	9,780,364	8,877,012
Manitoba	1,515,387	1,366,132
Saskatchewan	601,502	555,561
Alberta	316,367	272,065
British Columbia	2,431,096	2,117,873
Total	33,445,360	30,080,248

More Firm Power

A breakdown of the production figures by the Bureau shows that 29,145 million kw.h. of the electricity output last year was used on a firm power basis and 4,300 million kw.h. on a secondary basis. This represents an increase of over 5,000 million kw.h. in the use of firm power and a drop of approximately 1,800 million kw.h. in secondary usage.

Particulars of the provincial use of electrical energy on a firm and secondary basis during 1941, with comparative figures for 1940, follow:

Production of Firm Power
(Thousands of Kilowatt Hours)

	1941	1940
Prince Ed. Island	8,666	6,835
Nova Scotia	477,285	426,068
New Brunswick	503,138	452,031
Quebec	15,830,130	12,347,004
Ontario	7,921,819	6,758,347
Manitoba	1,057,937	997,200
Saskatchewan	601,502	555,561
Alberta	316,367	272,065
British Columbia	2,428,212	2,114,512
Total	29,145,056	23,929,623

Production of Secondary Power
(Thousands of Kilowatt Hours)

	1941	1940
Nova Scotia	2,568	......
New Brunswick	31,697	18,220
Quebec	1,947,160	3,641,447
Ontario	1,858,545	2,118,665
Manitoba	457,450	368,932
British Columbia	2,884	3,361
Total	4,300,304	6,150,625

Canadian Car On All-out Basis

Victor Drury Announces No Change in Dividend Policy

From Our Own Correspondent

MONTREAL.—Over 97% of the operations of Canadian Car & Foundry are now devoted to war work, according to Victor M. Drury, president. There has been no change in the policy on dividend arrears of the preferred stock, he states. Because of abnormal conditions and the need of strong working capital, the board has deferred any decision on the matter.

In the aircraft division, Mr. Drury states the Fort William plant, engaged in production of Hurricane fighters, has business on hand to keep busy until late in August.

The Hampden contract which was 90% complete by Sept. 30, 1941, was finished in the first week in December, well ahead of schedule.

Investment remains unchanged in Canadian Associated Aircraft, formed by a number of Canadian aircraft companies to assemble the Hampden. This company, says Mr. Drury, is being wound up and the assets distributed. "We anticipate that we shall have our full capital returned with interest."

Receive Big Order

Since Sept. 30, Canadian Car has received a $60 millions contract for more than 1,000 Curtiss Navy Dive Bombers. The order will occupy full facilities of the Fort William and Turcott Aircraft plants, and the greater part of the machine shop at Point St. Charles until late 1944. Contract calls for 12 months of sustained peak production, with maximum output of 80 planes a month. First plane will be completed early in 1943, it is expected.

Settlement of U. S. taxes on the Mixed Claims award to Canadian Car for 1917 war damage is being negotiated, and a reserve of $1.9 million has been set up. Some further taxes may have to be paid when the award is paid to the Canadian Car U. S. agency and the funds transmitted to the Canadian company, he states.

Railway car orders had been held up owing to difficulty of obtaining materials. All materials needed are subject to priority control and the outlook is not promising. Both railways are now in the market for additional equipment, Mr. Drury states.

The plane propeller plant has come into production on propeller hubs and metal blades designed by the company's own engineers.

Canadian Car now has 10 plants in active operation. Six are in Montreal; one in St. Paul l'Ermite, east of Montreal; one each at Amherst, N.S.; Brantford, and Fort William. These plants, Mr. Drury reports, have a total of over 23,000 employees on their wage rolls, 6,100 of them women. Aircraft plants alone have over 9,000 employees.

EMPLOYERS!

welcome this man!

HE OFFERS YOUR EMPLOYEES WHAT ALL OF THEM WANT MOST

PROTECTION FOR THEIR FUTURE

SECURITY OF THEIR FREEDOM

THIS MAN is an official salesman in Canada's Victory Loan drive. He is working for Canada . . . he is also working for you . . . for your employees . . . for every citizen who has his home, his business, his future in Canada.

As an employer you can help him pursue his National business. Be sure to provide him with every facility he needs to contact your employees about Canada's New Victory Bonds.

Pave the way for his visit by personally encouraging your employees to invest in the New Victory Bonds to the limit of their resources. Do your best to make them realize that their freedom . . . the security of all they cherish . . . depends upon Canada's ability to finance this all-out war.

If your employees are many, you can assist this man by appointing key personnel to act as his sales-lieutenants.

And you can go further than that. You can provide your employees with a regular Payroll-Savings Plan so that all, whatever their means, can buy the New Victory Bonds over an extended period.

Welcome this man. Remember, every assistance you give him . . . every subscriber you help him to sign up . . . hastens the destruction of the forces that are striving to destroy us.

Come on Canada!

Buy the New VICTORY BONDS

A52

NATIONAL WAR FINANCE COMMITTEE, OTTAWA, CANADA

Dosco Speeds Pace Pig Iron Output

MONTREAL.—Pig iron production at the Sydney plant of Dominion Steel & Coal Corp. during 1941 totalled 375,000 tons, 295,000 in the preceding year.

Following the decline in output starting in July, production picked up in October and in December amounted to 38,000 tons. This was the largest monthly total reported by the company in many years, and is probably an all-time record.

U. S. Woodpulp Stocks Maintained on Jan. 1

MONTREAL.—Stocks of purchased woodpulp on hand in paper mills in the United States Jan. 1, 1942, show only an insignificant change from the revised figure for Dec. 1, 1941, according to the American Paper and Pulp Association. Evidently the Christmas shutdown reduced consumption to the approximate level of receipts.

Stocks of purchased wood pulp on hand Jan. 1, 1942, totalled 209,076 tons. This contrasts with 209,744 tons on Dec. 1, 1941.

International Paper Calls $419,500 of Bonds

Bankers Trust Co., as trustee, has drawn for redemption on March 1, next, out of sinking fund moneys, $419,500 of International Paper Co. refunding mortgage sinking fund 6% gold bonds, Series A, due March 1, 1935, at 105 and accrued interest. Payment will be made in either United States or Canadian funds at the option of the holder. Holders can present their bonds for immediate payment at the office of Bankers Trust Co., and receive the full redemption price.

Treasury Bills

Sale of a new issue of Dominion of Canada treasury bills has been made at an average price of 99.86676 to give an average cost basis of 0.547%. This compares with a cost basis of 0.548% obtained in the last previous issue.

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including club market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING FEBRUARY 9

Mining Stocks

Week Ending February 9

Vancouver Stocks

Oil Stocks

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Feb. 2	High	Low	Close Feb. 9
No	2.67	2.51	Home Oil	2,340	2.55	2.67	2.57	2.66
No	.01½	.01½	Madison	......	(.01½ bid	.01 asked)		
No	.01½	.01½	Marjon Oil	......	(.01½ bid	.... asked)		
No	.04½	.04	McD. Segur Ex.	......	(.03½ bid	.... asked)		
No	.04½	.03½	Mercury	......	(.04½ bid	.04½ asked)		
No	.07	.06	Mill City Pete	1,000	.06	.06	.06	.06
1	.20	.17	Model	......	(.18 bid	.... asked)		
25c.	.04	.04	National Pete	......	(.04 bid	.... asked)		
1	†.05	.04	Nordon	......	(.03 bid	.... asked)		
No	.40	.35	Okalta	......	(.35 bid	.36 asked)		
No	.03	.03	Pacalta Oil	......	(.02½ bid	.... asked)		
1	*.26	.18	Pacific Petroleums	......	(.15 bid	.... asked)		
No	.05	.04½	Royal Canadian	......	(.05 bid	.05½ asked)		
No	†.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	18.63	18.25	Royalite	10	18.50	18.25	18.25	18.25
No	.05	.03½	South End	......	(.03½ bid	.04½ asked)		
No	.20	.20	Southwest Pete	......	(.17 bid	.... asked)		
1	*.05½	.02½	Spooner	......	(.... bid	.... asked)		
25c.	.09½	.09½	Sunset Oil	2,000	.09½	.09½	.09½	.09½
No	.04½	.04	United	1,100	.04½	.04½	.04	.04
No	.04	.04	Vanalta	......	(.04 bid	.... asked)		
1	.20	.20	Vulcan	......	(.15 bid	.16 asked)		

*Quotations for 1941. † 1940.

Winnipeg Stocks

(Transactions from Feb. 2 to Feb. 7)

	Sales	High for period	Low for period	Close Feb. 7
Dominion Envelope, pfd.	10	97.50	97.50	97.50
Great West Life	18	205.00	200.00	205.00
Sachigo River	171	4.35	4.30	4.30
United Grain Growers	40	12.50	12.00	12.50

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, pf.	..	38
Beav. Lumber p	103	..	Grouped Inc.	..	4½
Do., com.	2½	5	Home Invest.	16¼	..
Can. Indemnity	150	..	Nor. C. Mtge. un	5½	..
Can. Airways	1	..	Nor. Trusts	..	7½
Corr. P. Box	.60	..	Traders Bldg.	44	..
Cres. Cream., p.	..	12	West. Brew.	1⅞	2⅛
Dom. Envelope c	..	9½	West. Grain, p.	..	7
Fed. Grain, c.	35	1⅜			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 10	8,200	15,800	142,000	......
Feb. 9	4,700	3,500	79,000	9,450
Feb. 7	2,000	2,000	82,000	8,900
Feb. 6	5,400	4,900	137,000	8,990
Feb. 5	4,200	16,100	125,000	16,665
Feb. 4	5,400	5,300	110,000	24,985

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Feb. 11, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100	100½	...
2	June '42	100½	100¾	...
3	Oct. '42	101½	101¾	.53
2½	June '43	101½	101¾	1.17
5	Oct. '53	105½	106	1.44
2	June '44	100¾	101½	1.45
a2½	Jan. '44	99½	100¾	2.25
4½	Oct. '44	106¾	107½	1.66
2½	Nov. '44	101¾	102½	1.57
a2½	Aug. '45	99½	99½‡	2.65
a4	Oct. '45	103½	104	b1.62
2	Mar. '45	100½	101	1.66
2	Dec. '46	99	99¾	2.14
4½	Feb. '46	108¾	109½	2.01
3½	June '49	102½	103½	b2.47
3½	Oct. '49	102½	103	b2.40
3½	Nov. '51	101½	102	b2.93
3½	Feb. '52	101½	102¼	3.00
5	May '52	101½	‡101¾	b1.93
4	Oct. '52	105½	106½	b2.77
3	June '51	99½	100	3.09
3	Oct. '52	98¾	99½	3.05
3	June '55	99½	99¾	3.02
4½	Nov. '56	106¾	107½	b2.80
4½	Nov. '57	107½	108½	b2.90
3	June '58	99	99¾	3.02
4½	Nov. '58	108¾	109½	b2.95
4½	Nov. '59	109¾	110½	b2.99
a4	Oct. '60	104¾	‡105½	b3.27
a3½	Jan. '61	97¾	98½‡	3.35
3½	June '66	101	101¾	b3.10
a3c	Jan. '67	94½	95½‡	3.27
a3c	Nov. '68	94½	95½‡	3.25
†3	Perpet'l.	93½	94½	3.17

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '42	100½	101½	.74
2½	Jan. '46	100½	101½	1.93
3	May '44	102½	103½	1.56
3	Dec. '50	99	100	3.00
3	Feb. '53	98½	99½	3.05
3	Jan. '59	98	99	3.08
*4½	Sept. '51	115½	116½	2.61
*4½	Feb. '56	116½	117½	2.96
4½	July '57	116½	117½	3.06
4½	June '55	117½	119	3.03
5	Feb. '54	117½	118½	3.14
*5e	July '69	116½	117½	...
*5e	Oct. '69	119½	121	b2.56
*5e	Feb. '70	119½	121	b2.63

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	99½	100½	2.97

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	91½	93	3.80
3½	Aug. '49	93½	95½	3.93
3½	June '56	92½	94½	4.00
c4	Nov. '47	101	103	b3.15
c4½	Apr. '61	103½	105½	4.09
c5	Jan. '60	109	111	4.13
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	98	100	3.25
3½	Nov. '50	100	102	3.23
c4½	Sept. '52	106	108	b2.97
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.20
3	Apr. '48	99½	100½	b2.93
3	Nov. '50	98½	99½	3.06
3½	Nov. '51	100	101	b3.10
3½	May '55	100	101	b3.13
*4	June '62	107	110	3.32
4½	June '50	108½	110	3.13
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110½	111¾	3.06
*5	Dec. '60	120½	122½	3.38
5½	July '46	109	110½	3.01
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.95
3½	Feb. '53	99½	100½	b3.18
3½	Apr. '47	101½	103	2.88
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.20
3½	Mar. '48	98½	100	3.25
3½	Mar. '59	98	99½	3.54
4	Nov. '52	102	103½	b3.33
3½	Feb. '55	100½	102	b3.31
4½	Aug. '58	104½	106½	3.72
4½	Jan. '63	109	111	3.74
Alberta:				
4	Dec. '54	57	60	d
4½	Oct. '51	67	..	d
4½	Oct. '56	61	64	d
*5	Oct. '59	64	67	d
c5½	Apr. '32	65	68	d
6	Mar. '47	70½	72½	d
British Columbia:				
c4	Dec. '57	101	103	3.73
*4½	Jan. '51	106	...	...
c4½	Oct. '53	106	...	...
c5	Apr. '54	111	...	...
5½	Feb. '45	103	105	3.78
6	Feb. '47	106	108	4.23
Manitoba:				
c4	Dec. '57	96	99	4.09
c4½	Dec. '56	98	101	4.50
*5	Dec. '59	102	105	4.50
5½	Oct. '55	99	102	5.29
6	Apr. '47	102	104	5.08
Saskatchewan:				
4	Sept. '54	75	78	6.53
4	Nov. '60	74	77	6.05
c4½	Oct. '51	87	90	5.88
c4½	Mar. '60	83	86	5.73
5	Aug. '58	85	88	6.17
5½	Oct. '52	90½	93½	6.33
6	Mar. '52	92	94½	6.74

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds. ♦–Calculated to 1950 average maturity.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Feb. 10, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	46	..
Andian National	26½	28½
Anglo C. Tel., A	6½	7½
Atlas Steel	17	19
Barrymore, pfd.	36	..
Brant. Roof.	2½	..
B. C. Pulp, c.	9	10
Do., pfd.	64	69
B. C. Sugar	71	74
B. C. Tel., 1st p.	111	116
Brown, com.	1¾	2½
Do., pfd.	29	30
Burns & Co., A	4½	5½
Do., B	2½	3
Can. Co-op. Wl.	8	..
Can. Indust., A	156	..
Can. Ing. Rand	70	76
Can. Mot. L.A.B.	3	..
Can. Tube, 1st p	78	83
Chase, A. W., p.	18	19½
Claude Neon, p.	2½	3½
Colonial Realty	2½	..
Colonial Steam.	33	36
Copeland Fl. un.	13½	15
Dunlop T. p. $25	19½	21
Easy Wash. p $10	10	11½
Galt Brass, c.	9½	..
Goderich Elev.	6½	7
Guard. Realty p	10	12½
Guelph Carp., c	16½	18
Gurney Fdry. p.	1½	1¾
Hayes Steel, c.	14½	15½
Hi'land Dairy, p	47	50
Inglis, John	4¾	6
Ingram & Bell p	93	..
Kingst. Ship. un	36	37
Do., com.	5	5¾
Loblaw, Inc., c.	12	13
Minn.&Ont. P. c	4¾	5½
M'row Screw, p.	103	105
Do., com.	13	16
Morrison Br. un	4½	6
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	55	59
Ont. Tobacco, p.	18	19½
Pac. C. Term., c	..	7
Prov. Paper, pf.	100	103
Quinte Milk	2½	3½
Ruddy, E. L., p.	19	23
Stand. Fuel, p.	51	55
Stedman, pf. $50	55½	58
Sutton Horsley	½	1
Tor. Carpet, c.	50	..
Do., pfd.	66	71
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	21	23½
Viceroy Mfg., c.	12½	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	135
Brockville Tr.	42	..
Capital Tr.	28	32
Comm. Fin., c.	3¾	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	99½	104
Guelph & O. $50	50	53
Indust. Mtge.	26	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	38	42
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¾	..
Traders Fin. A c	3	5
Do., A pfd.	67	71
Trusts&Gr., new	36	40
Victoria Trust	70	75
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	365	380
Brit. Amer.	50	53
Canadian Fire	79	82
Confed. 30% pd.	128	135
Cons. Fire Cas.	3¾	..

	Bid	Ask.
Continental L.	34	38
Crown, fully pd.	265	285
Dominion Fire	136	143
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life	200	210
Federal, 25% pd.	52½	56
Halifax Fire	15½	17
Imperial Life	260	280
Manufac. Life	215	225
Monarch Life	32½	34½
National Life	10	16
Sov. L. 25% pd.	12¾	..
Sun Life	280	300
Tor. General	4¾	5½
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's, St. Cath., units	51	..
Loew's London p	2½	3½
Mansf. Theat. p	29½	32
Para., Kitch., p.	50	..
Do., Oshawa, c	7½	9½
Investment Trust Shares:		
Can. Investors	5	6
Inv. Found. un.	42½	44½
Sec's. Hold., pf.	18½	20
United Corp., A	19½	21½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	102	..
Gt. Lakes Pr., p.	101½	105
Int. Util. $1.75 p	8½	14
Do., $3.50 pf.	29	..
Mtl. Isl. Pwr. p.	41	..
Nor. Ont. Pr. p.	71	73

Unlisted Mines

Toronto, Feb. 10, 1942

	Bid	Ask
Albany R (Old)	.03	.05
(New)	.08	.10
Amal Kirk	.04	.05
Anoki	.03	.03½
Aquarius	.22	.24
Arjon	.03½	.04½
Armistice	.06½	.09
Argosy	.05½	.07
Area	.02½	.03½
Athona (Old)	.00½	.01½
(New)	.01	.02
Barb Lard	.02	.03
Brock	.04	.05
Calder Bo	.02	.03
Can Rad	.08	.09
Central M	.02	.02½
Cheminis	.03	.04
Coin Lake	.01¾	.02½
Cons Chib	.04	.06
Croscourt	.02	.04
Dayton	..	.01½
Delpine	.04	.05
Demp Cad	.00½	.00¾
Desantis (New)	.04	.06
Dona Pat	.01	.01½
Eastward	.07	.09
Elmos	.06½	.08
Franco	.25	.30
Galore	.00½	.02
Goodrock	.16½	.18½
Gilbec	.00½	.01
Hayes Cad	.02	.02½
Hoyle new	.11	.13
Hugh PaP	.03	.05
Hutch Lke	.01	.01½
Keora	.00½	.01½
Kewagama	.01	.03
Kiena	.01	.02
Kirk Gate	.00¾	.01½
Kirk Town	.07	.08
Lacoma	.00¾	.01
Laguerre	.05	.10
Lake Duf	.12	.14
Lake Gen	.06½	.09
Largold	..	.20
Lw Pete	.14	.18
Lunward	.13	.16
Magnet C	.48	.50
Magnet L	.13	.17
Marbenor	.28	.30
Martin B	.02	.02½
Mata Can	.02	.02½
Mata Con	.15	.20
McMar'ac	.18	.20
Mof Hal n	.01	.02
Mooshla	.00¾	.01½
Mosher	.06	.08
McManus	.01½	.02
Nat Mal	.26	.29
Nickel O	1.30	1.60
Norbeau	.15	.20
Northland (1940)	.01	.04
Norwin	..	.03
New Mal	..	.15
Newbec	.00½	.01½
N Ribago	.00¾	.01½
Numalake	.09	.13
Oklend	.03	.03½
O'Leary M	.04	.05
Opemiska	.05	..
Orpit	.04	.05½
Ossian	.00½	.01
Pascalis	.18	.22
Pontiac (Old)	.02	.04
Pelangio	.01½	.02½
Polaris	.02	.04
Proprie'y	3.60	3.80
Presdor	.04½	.05½
Queb Mn	.15	.17
Rahn Lake	.00½	.01½
Rand Ml	.13	.15
Red Lake	..	.01½
Ritoria	.01½	.02½
Rouge	.01½	.02½
S.A.G.A.	.25	1.00
Sachigo	4.30	4.65
Senore	.01½	.02½
Sepha	..	.12
Shenango (New)	..	.15
Sheldon	.03½	.04½
Skynner	.01½	.02
Smelters	..	.01
Springer	.11½	.13
Stadacona	.06	.09
Thomson	.11	.13
Tobico	..	.06
Union Mn	.03	.04
Wesley	.01½	.03
Y David'n	.19	.21

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 10, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 10	Asked Feb. 10	Bid Feb. 3
▲†Alg. C. H.B.R.	5	'59	10	12	9½
†Assoc. Tel. & T.	5½	'55	67	70	67
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	106	108	106
Do.	5	'64	103	...	103
†Can. Nor. Pwr.	5	'53	102	104	102
*Dom. Gas & El.	6½	'45	102	105	101½
Gatineau Pwr.	5	'49	100	102	100
*Do., A	3¾	'69	100	102	100
♦Do., B	3¾	'69	100	102	100
Gt. Lakes Pwr.	4½	'56	100	102	100
Do.	5	'57	96½	99½	96½
*Int. Hydro-El.	6	'44	31	34	30
▲Inter. Power	6	'55	101	...	101
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	100½	102½	100
Mtl. L. H. & Pr.	3½	'56	103½	105½	103½
Do.	3½	'73	102	104	102
Do.	3½	'63	102½	104½	102½
†Mtl. Tramways	5	'41	100	102	100
†Do.	5	'55	72½	75½	72½
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	101	103	101
†Power Corp.	4½	'59	92½	95½	92½
Quebec Pwr.	4	'62	102½	104½	102½
*Saguenay P.	4½	'66	107	...	107
♦Do., B	4½	'66	105½	...	105½
St. Maurice Pr.	4½	'70	102	104	102
Shaw. W. & Pr.	4	'61	102	104	102
Do.	4	'69	102	104	102
Union Gas	4½	'50	102	104	102
*Twin C. R. Tr.	5½	'52	83½	86½	80½
†United Secs.	5½	'52	42	45	42
‡Wpg. El. ser. A.	5	'65	83½	86½	82
Do., B	5	'65	67½	70½	66
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	71½	74½	73
Do., C.O.D.	5	'53	71½	74½	72½
Acadia Sugar	4½	'55	101½	...	101½
Do.	6	'54	99½	102½	99
†Alta. Pa. Grain	6	'46	103½	105½	103½
Algoma Steel	5	'48	100½	103½	100
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	93	96	93
‡†Do.	7	'50	108	...	108
*Brown Co.	5	'59	78½	81½	79
Burns & Co.	5	'58	68½	71½	68½
Canada Cement	4½	'51	102	105	102
Canada Electric	4½	'65	96½	99½	96½
Can. Paper	4½	'52	101½	103½	101½
Can. Steamships	5	'57	100½	103½	101
Can. Canners	4	'51	101½	103½	...
*Can. Int. Paper	6	'49	105	107	105
‡Can. Locomotive	6	'53	103	106	102½
‡†Candn. Vickers	6	'47	88	91	88
C. P. R.	3½	'51	96	98	96
Do.	4	'49	100	102	100
Do.	6	'42	99½	101½	99½
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	77½	80½	78
Dom. Coal	4½	'52	100½	103½	100½
Dom. Scott. Inv.	4	'52	98½	..	98½
Dom. Stl. & C.	6½	'55	104	107	104
Dom. Tar	4½	'51	101½	104½	101½
Dom. Woollens	6	'53	96	99	96½
†Donnacona Pap.	4½	'56	77½	80½	77½
*Dryden Pap.	6	'49	100½	103½	100½
†East. Dairies	6	'49	80	83	81
Famous Players	4½	'51	98	101	98
†Federal Grain	6	'49	102	...	102
†Fraser Cos.	6	'50	102	...	102
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101½	103½	101½
*Gt. L. Paper	5	'55	93	96	93½
*Gurney Fdry.	5½	'49	85	88	85
†Gypsum Lime	5½	'48	101½	104½	101½
Ham. By-Pr. C.	5	'55	102	...	102
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	77½	80½	77½
Ins. Ex. Bldg.	3	'51	44	47	44
*Inter. P. Nfld.	5	'68	97½	..	97½
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	88½	91½	90½
Do.	5	'61	71½	74½	71½
Legare	6	'61	89½	92½	90
Maple L. M.	3	'58	75	78	74½
Mar. Sugar	5	'60	99½	102½	100
Massey-Harris	4½	'54	93	96	93
McColl-Fron.	4½	'49	102	104	102
McCormicks	4	'52	96½	99½	96½
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	94	97	94
Mersey Paper	5	'57	96½	99½	96½
†Do.	6	'49	99½	102½	99½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Feb. 10, 1942

Miscellaneous Stocks:	Bid Feb. 10	Ask. Feb. 10	Bid Feb. 3
†Allens Tor. Th., p.	31¾	35	31½
Atlas Steels, 7% pfd.	105	106½	105
Brinton Peterboro Cpt.	39¾	..	40
Can. Col. Airways	2½	2¾	2½
*Can. Gen. Rubber, pfd.	21	24	21½
Can. Mach., new c.	7¾	..	7¾
C.P.R. 4% pfd. (£ par)	1.75	2.50	1.85
Cap. Wirecloth, p.	18½	21½	18½
Cawthra Apts., pfd.	1.65	...	1.60
Comm. Life, 10% pd.	6	7½	6½
Corrug. Paperbox, c.	1.05	1½	1
Dom. Alloy & Steel, c.	..	.25	..
Dom. Life, 70% pd.	175	195	173
Dover Industries	6	6½	6
Eastern Steel, pfd.	19	21	19½
†Fort W., Hotel, units	45	49½	45½
Hart Battery, com.	4.10	4.50	4
Imperial Varnish, c.	8.60	9.50	8.50
Indust. Accept., 5% p.	60	66	61
London & West. Trusts	32½	36	33
*Monarch Mtge. Inv. un.	.30	.50	.35
Mount Royal, new com.	3	4	3.05
Murphy Paint, com.	8½	9½	8½
Do., pfd.	88½	90	88
Nat. Hosiery, com.	.65	.90	.60
Do., pfd.	.75	1.10	.80
†N. Amer. Elevator, p.	79	..	79½
St. John Dry D., p.	99	102	99½
Seal-o-Sac	.70	1.00	.65
Tip Top Tailors Inc., un.	11½	14	11¾
Traders Finance rts.	10	12	11½
Viceroy Mfg., 6% pfd.	22¾	23¾	23
Waterloo Mfg., new c.	.55	.85	.60
Wentworth Radio, p.	2.00	3.00	2.00
West. Can. Hydro, pfd.	10½	11½	10½
West. Life, 10% pd.	9½	10¾	9½

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Feb. 10	Asked Feb. 10	Bid Feb. 3
*M. & O. Paper	5	'60	101½	103½	101
Moirs Ltd.	6	'53	89½	92½	89½
‡Mtrl. Drydocks	6	'48	82½	85½	82½
Montreal Apts.	4	'54	52	55	51
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	80	83	81½
Price Bros.	5	'57	99	102	99
Do.	4	'57	84½	87½	84
*Prov. Paper	5½	'47	105	...	105
Reliance Grain	4½	'52	96	99	96
†Restigouche Co.	6	'48	101½	...	101½
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	92	95	93
Silv. Dairies	6	'66	93½	96½	93
Simpsons, Ltd.	4½	'51	101	104	101
Smith, Howard	4½	'51	102	105	102
Stand. Lime	6	'44	97½	..	97½
Sterling Coal	6	'45	97½	100½	97½
Stop Shop	3	'47	57½	60½	57½
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	...	105
United Gr. Grs.	5	'48	100½	103½	100½
†Western Grain	6	'49	66	69	65

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Feb. 10, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.25	112.25	3.30
Montreal	5	1945	93.00	95.00	6.80
Ottawa	4½	1945	104.00	106.50	2.50
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	111.00	114.00	3.18
†Vancouver	5	1950	100.00	104.00	4.40
Winnipeg	5	1944	101.00	104.00	3.00

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.08	2.27
Can. Amer. Trust	3.05	3.35
Can. Inter. Trust	3.75	4.50
Can. Invest. Fund	2.95	3.30
Corporate Investors	5.50	5.90
Trans-Canada	9.00	9.85

Annual Meetings

1942: Company	Place
Feb. 14—Gen. Steel Wares	Montreal
Feb. 16—Belding-Cort.	Montreal
Feb. 16—Landed Banking	Hamilton
Feb. 16—J. S. Mitchell	Sherbrooke
Feb. 18—Beauharnois Lt. H.	Montreal
Feb. 18—Brit. Northwest. Fire	Toronto
Feb. 18—Cedars Rapids Mfg.	Montreal
Feb. 18—Montreal Gas	Montreal
Feb. 18—Montreal Island Pwr.	Montreal
Feb. 18—Montreal L. H. & Pwr.	Montreal
Feb. 18—Mtl. L., H. & Pr. Cons.	Montreal
Feb. 18—Security Natl. Ins.	Toronto
Feb. 18—Shawinigan W. & Pr.	Montreal
Feb. 19—Cockshutt Plow	Brantford
Feb. 19—Lake St. J. Power	Montreal
Feb. 20—Canada Cement	Montreal
Feb. 23—Brompton Pulp	Montreal
Feb. 23—St. Lawrence Corp.	Montreal
Feb. 23—St. Lawr. Paper Mills	Montreal
Feb. 22—Montreal Life Ins.	Montreal
Feb. 26—Bell Telephone	Montreal
Feb. 27—Bruck Silk Mills	Montreal
Mar. 11—Woods Manufacturing	Montreal
Mar. 23—Twin City Rapid	Minneapolis
Apr. 23—Montreal Tramways	Montreal

Mining Dividends

	Rate	Feb. 9	Yield %
Anglo-Huronian	▴10c	2.30	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.30	12.3
Bayonne	†1c	.04¼	..
Beattie Gold	16c	.89	17.8
Berens River	†3c	1.00	..
Bralorne	80c+40c	8.25	*14.6
Broulan Porc.	12c	.52	23.1
Buffalo Ankerite	▴30c	2.50	..
Bulolo Gold	$3	7.63	..
Can. Malartic	8c	.45	17.8
Cariboo Gold	16c+8c	1.45	*16.5
Central Patricia	16c+6c	1.05	*20
Chesterville	15c	1.20	..
Cochenour Willans	6c	.54	11.1
Coniagas	▴17½c	1.25	..
Coniaurum	16c	.93	17.2
Cons. Smelters	$1+$1.50	38.18	*6.5
Delnite	▴6c	.65	..
Dome Mines	$2	16.62	12.0
East Malartic	▴20c	1.99	..
Falconbridge	20c	3.25	..
Francoeur Gold	▴4c	.32	..
Gold Belt	▴2c	.15	..
Grandview	▴1½c	.16	..
Grull Wihksne	†1½	.02¼	..
Hallnor	60c	2.25	26.6
Hard Rock	▴8c	.48	..
Hedley Mascot	8c	.32½	..
Hollinger	65c+45c	9.30	*11.8
Howey Gold	▴4c	.20	..
Hudson Bay	$2	27.25	7.3
Inspiration	†2c	.27½	..
Inter. Nickel, com.	2	34.25	5.8
Island Mountain	▴18c	1.05	..
Jason	4c	.27	..
Kerr-Addison	▴35c	3.75	..
Kerr Lake	5c	.22	..
Kirkland Lake	10c+1c	.60	*18.2
Kootenay Belle	▴8c	.16	..
Lamaque Gold	40c+15c	4.00	13.7
Lake Shore	$1.40	10.00	14.0
Leitch	8c	.39½	20
Little Long Lac	▴20c	1.30	..
Macassa	32c+3c	2.55	*13.6
Madsen R. Lake	▴3c	.38	..
Malartic Gold	10c	1.83	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.87	13.7
Moneta	8c	.26	..
McIntyre-Porc.	$2.22+$1.11	41.87	7.9
MacLeod-Cockshutt	10c	1.57	..
Naybob Gold	4c	.19	..
Negus	7½c	.48	..
Nipissing	15c	.90	16.6
Noranda	$4	48.50	8.2
North Empire	▴40c	3.75	..
O'Brien Gold	10c	.78	..
Pamour Porc.	18c	.80	..
Pato Cons.	20c+2c	2.60	*8.4
Pend Oreille	†6c	1.53	..
Perron Gold	16c+9c	1.28	*19.5
Pioneer, B. C.	40c	1.85	21.7
Pickle Crow	40c	2.27	17.6
Placer Develop.	$1.20	8.37	14.4
Premier	11c	.67	19.3
Preston E. Dome	20c+10c	2.91	*13.1
Privateer Mines	12c+4c	.38	..
Quebec Gold	2c	.30	..
San Antonio	14c+6c	1.75	*11.4
Sheep Creek	16c+1c	.83	*20.4
Sherritt Gordon	10c	.87	..
Sigma Mines	▴30c	5.75	..
Silbak Premier	16c	.66	24.2
Siscoe	▴8½c	.47	..
Sturgeon River	4c	.10½	..
Sudbury Basin	▴5c	1.53	..
Sullivan Cons.	▴8c	.56	..
Surf Inlet	▴2c	.06	..
Sylvanite Gold	28c	1.75	16
Teck-Hughes	40c	2.20	18.2
Toburn	12c+6c	1.10	*16.3
Upper Canada	▴14c	1.03	..
Ventures	▴20c	3.50	..
Waite Amulet	40c	4.40	..
Wendigo	3c	.13½	..
Wright-Harg.	40c+20c	2.60	*23.1
Ymir Yankee	2c	.03½	..

▴Paid in 1941. *Yield including bonus. †Initial.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40c	Mar. 2	Feb. 16
Do., pref.	$1.75	Apr. 1	Mar. 16
Aluminium	$2	Mar. 5	Feb. 13
Do., pref.	†$1.50	Mar. 1	Feb. 6
Aunor Gold	4c	Mar. 3	Feb. 14
Amal. Oils	▪4c	Mar. 15	Mar. 1
Berens River	3c	Mar. 16	Feb. 27
Beattie Gold	4c	Mar. 20	Mar. 4
Banque Candn. Nat.	$2	Mar. 2	Feb. 14
Borden Co.	†30c	Mar. 2	Feb. 16
Bruck Silk	▪10c	Feb. 25	Feb. 5
Bank of Montreal	$2	Mar. 2	Jan. 31
Belding-Cort., ext.	▪$2	Mar. 2	Feb. 14
B. C. Packers	°$1.50	Mar. 16	Feb. 28
Bank of Toronto	$2.50	Mar. 2	Feb. 14
Bathurst P & P., A	25c	Mar. 2	Feb. 13
Bertram & Sons	15c	Feb. 15	Jan. 31
Do., extra	5c	Feb. 15	Jan. 31
T. G. Bright, c.	7½c	Mar. 14	Feb. 28
Do., pf.	$1.50	Mar. 14	Feb. 28
Canada Starch, pf.	$3.50	Feb. 16	Feb. 7
Canada Vinegars	10c	Mar. 2	Feb. 14
Can. Wire & C., A	$1	Mar. 15	Feb. 28
Do., B	.50c	Mar. 15	Feb. 28
Do., pref.	$1.62½	Mar. 15	Feb. 28
Can. Cr. Stone	10c	Mar. 16	Mar. 2
Canada Dry	†15c	Mar. 9	Feb. 24
Can. Foundries, A	37½c	Mar. 16	Mar. 2
Can. Cel., inc. fd. rts.	$1	Mar. 17	Dec. 31
Cockshutt Plow	25c	June 18	June 4
Capital Trust	$1	Mar. 1	Dec. 13
Canadian Oil, c.	25c	Feb. 16	Jan. 31
Comm'wealth Intl.	4c	Feb. 16	Jan. 15
Can. Breweries, pfd.	75c	Apr. 1	Mar. 16
Corr. Pap. Box., pf.	$1.75	Mar. 2	Feb. 16
Cosmos Imp. Mills	30c	Feb. 14	Jan. 31
Do., extra	15c	Feb. 14	Jan. 31
Can. Bakeries, p.	$1.25	Mar. 2	Feb. 19
Coniagas Mines	10c	Feb. 26	Feb. 10
Commoil	1c	Feb. 27	Feb. 11
Crown Cork	50c	Feb. 16	Feb. 6
Dom. & Anglo Invest., pf.	$1.25	Mar. 2	Feb. 14
Dom. Bridge	30c	Feb. 25	Jan. 31
Dom. Envelope, pf.	$1.75	Mar. 1	Feb. 20
Dom. Scot. Inv., p.	▪50c	Mar. 2	Feb. 20
East Steel, c.	25c	Mar. 2	Feb. 16
Equitable Life	15c	Feb. 20	Feb. 15
Famous Players	25c	Feb. 27	Feb. 14
Federal Grain, pf.	▴$2	Mar. 2	Feb. 20
Granby Cons. M.	†15c	Mar. 2	Feb. 13
Do., extra	†5c	Mar. 2	Feb. 13
Grandview Mines	1c	Feb. 15	Jan. 20
Gen. Stl. Wares, p.	$1.75	Feb. 20	Feb. 10
Do., participating	25c	Feb. 20	Feb. 10
Hallnor Mines	10c	Mar. 3	Feb. 14
Hedley Mascot G.	2c	Feb. 16	Jan. 24
Hollinger Cons.	5c	Feb. 25	Feb. 11
Honey Dew	50c	Apr. 1	Mar. 14
Internat'l Nickel	†50c	Mar. 31	Mar. 2
Kerr Addison	5c	Feb. 28	Feb. 10
Langleys, pfd.	▪50c	Mar. 11	Mar. 2
Do.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Laura Secord	20c	Mar. 2	Feb. 15
Leitch Gold	2c	Feb. 16	Jan. 31
Loblaw Groc., A, B	25c	Mar. 2	Feb. 10
Loblaw Inc	25c	Feb. 28	Feb. 13
Lake of W. Mill.	30c	Mar. 2	Feb. 14
Do., pref.	$1.75	Mar. 2	Feb. 14
Maclaren Power	25c	Mar. 5	Feb. 14
McIntyre Porc.	55½c	Mar. 2	Feb. 2
Melchers Dist., pfd.	30c	Feb. 16	Feb. 2
Mitchell, J. S.	$2.50	Mar. 2	Feb. 16
Montreal Loan	31¼c	Mar. 16	Feb. 28
Nan.-Duncan Util.	81¼c	Mar. 2	Feb. 14
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
Do. pref.	†$1.75	Feb. 28	Feb. 13
Noranda Mines	$1	Mar. 17	Feb. 20
N. S. Lt. & Pr., pf.	$1.50	Mar. 2	Feb. 14
Ogilvie Flour	$1.75	Mar. 2	Feb. 16
Ont. Silknit, rights	$1	Feb. 20	Dec. 31
Ont. Steel	25c	Feb. 16	Feb. 7
Do., pref.	$1.75	Feb. 16	Feb. 7
Ottawa L. & Pr.	15c	Apr. 1	Feb. 10
Do., pref.	$1.25	Apr. 1	Feb. 10
Penmans	75c	Feb. 16	Feb. 5
Quebec Power	25c	Feb. 25	Jan. 26
Proprietary Mines	5c	Feb. 28	Feb. 14
Petrol Oil	▪2c	Mar. 2	Feb. 14
Photo Engrav.	50c	Mar. 2	Feb. 14
Provincial Bank	$1.50	Mar. 2	....
Prov. Transport	20c	Feb. 16	Feb. 9
Regent Knitting	‡40c	Mar. 2	Feb. 16
Reliance Grain, p	$1.62½	Mar. 14	Feb. 28
Rolland Paper, c.	15c	Feb. 14	Feb. 4
Do., special	15c	Feb. 13	Feb. 3
Rolland Paper, pfd.	$1.50	Mar. 2	Feb. 14
Royal Bank	$2	Mar. 2	Jan. 31
South Can. Pwr.	20c	Feb. 16	Jan. 31
Shawinigan W.	23c	Feb. 25	Jan. 26
Sunset Oils	1½c	Mar. 16	Mar. 5
Sher.-Williams, pf.	$1.75	Apr. 1	Mar. 15
Do. ordinary	15c	May 1	Apr. 15
Siscoe	2c	Mar. 16	Feb. 13
Stedman, c.	15c+30c	Apr. 1	Mar. 20
Do., pf.	75c	Apr. 1	Mar. 20
D. A. Stuart	20c	Mar. 2	Feb. 14
Sylvanite	5c	Mar. 28	Feb. 14
Toburn Gold	3c	Feb. 23	Jan. 22
Do., extra	1c	Feb. 23	Jan. 22
United Corp., A	38c	Feb. 16	Jan. 15
Union Gas	20c	Mar. 14	Feb. 20
Upper Can. Mines	3c	Mar. 2	Feb. 16
Walker-Good.	$1	Mar. 16	Feb. 20
Do., pref.	25c	Mar. 16	Feb. 20
Waite Amulet	10c	Mar. 10	Feb. 14
York Knitting	20c	Feb. 16	Feb. 6

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 218

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND day of MARCH next, to Shareholders of record at close of business on 31st January, 1942.

By Order of the Board.

JACKSON DODDS, General Manager. G. W. SPINNEY, General Manager.

Montreal, 20th January, 1942.

British Columbia Packers Ltd.

Notice is hereby given that subject to the necessary approval being obtained from the Foreign Exchange Control Board the Directors of British Columbia Packers Limited have declared a dividend of one dollar and fifty cents ($1.50) per share, payable by cheque to be issued at Vancouver on 16th March, 1942, to shareholders of record at the close of business on February 28th, 1942. Shareholders holding certificates in street form are requested to surrender such certificates to the Company's Transfer Agents, the London and Western Trusts Company Limited, at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its Montreal office, so that they may become registered as the owner of such shares before 28th February, 1942. Dated at Vancouver, B.C., this 30th day of December, 1941.

By Order of the Board.

A. HAMILTON, Secretary.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum), has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 28th day of February, 1942. This dividend, bearing the number 204, will be payable at the Main Office or at the branches of the Bank, on or after the second day of March, 1942, to the shareholders of record on February 14th.

By order of the Board,

CHARLES ST-PIERRE, General Manager.

Hollinger Consolidated Gold Mines Limited

Dividend Number 354

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of February, 1942, to shareholders of record at the close of business on the 11th day of February, 1942.

DATED the 4th day of February, 1942.

P. C. FINLAY, Secretary.

SYLVANITE GOLD MINES Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 46

TAKE NOTICE that a regular quarterly Dividend of 5% (i.e. five cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 46.

Such Dividend will be payable March 28th, 1942, to Shareholders of record at the close of business, February 14th, 1942.

In the case of Share Warrants such Dividends will be payable on or after March 28th, 1942, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 46 at:

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board.

W. S. WALTON, Secretary.

TORONTO, February 5th, 1942.

BEATTIE GOLD MINES (Quebec) Limited

(No Personal Liability)

25 King Street West, Toronto

DIVIDEND NO. 17.

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on March 20th, 1942, to shareholders of record March 4th, 1942.

By Order of the Board.

H. WHITTINGHAM, Secretary-Treasurer.

February 4th, 1942.

DIVIDEND NOTICE
HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 82

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Monday, March 16, 1942 to shareholders of record at the close of business on Friday, February 20.

DIVIDEND NO. 83

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, March 16, 1942 to shareholders of record at the close of business on Friday, February 20.

By Order of the Board,

FLETCHER RUARK, Secretary.

Walkerville, Canada, January 14, 1942.

Federal Grain Limited

DIVIDEND NOTICE

TAKE NOTICE that a dividend of $2.00 per share on the 6½ cumulative preference shares of the Company, on account of arrears of dividends, has been declared, payable on March 2nd, 1942, to shareholders of record at the close of business on February 20th, 1942.

The transfer books of the Company relating to the said preference shares will be closed from the close of business on February 20th, 1942, until the close of business on March 2nd, 1942.

By Order of the Board.

R. C. GAGE, Secretary.

Winnipeg, Manitoba, February 9th, 1942.

Dividends Declared (Cont'd)

Do., 1st pref.	$3.50	Feb. 16	Feb. 6
Do., 2nd pref.	$3.50	Feb. 16	Feb. 6

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. °Initial. ‡Also 40c. payable June 1, Sept. 1 and Dec. 1. ▴On arrears.

Grain Marketing Gets Spotlight

Study Effect of Higher Price on Present Policies

Interest in the immediate course of the wheat market has given way for the moment to interest in government plans for wheat marketing in the coming year.

It appears to be widely assumed that government announcement of wheat policy will include an advance in the basic wheat board price to 90 cents a bushel, effective with the marketing of the new crop. No advance in the government guaranteed basis is expected prior to Aug. 1, since compensation for the basic price of 70 cents a bushel has been made on two different types of acreage bonuses for the current crop year, amounting all told to some $50 million.

There is a good deal of opinion that in view of the widespread demands for a price of $1 per bushel an advance to that level might be authorized by the government. In such an event it is presumed that limitations on deliveries by farmers would be made more stringent than if a basic price of 90 cents a bushel should be authorized.

Think $1 Satisfactory

The requests of the Saskatchewan delegation which appeared in Ottawa last week were based on "parity price" for wheat, which has been calculated to be approximately $1.40 per bushel. It is doubted if anywhere, even among those who presented the petition there was any expectation that the price might be put above $1 per bushel. It is believed probable that those who signed and those who presented the petition really considered they were asking for $1 per bushel. According to this view, bringing in the "parity price" basis was not intended to be understood as a request, but rather as a reminder of how far short even $1 per bushel comes from equalling the purchasing power of a bushel of wheat in earlier days.

Assuming the government does increase the basic guaranteed price of wheat, how will the market operate?

Except for other phases of government policy there appears little to prevent it operating as it does now, but at a range of prices higher than those prevailing. But there is the question of the price ceiling on flour and bread.

Will Market Disappear?

To prevent the price of flour and bread rising, will the government subsidize the milling and baking industries by supplying them with wheat at less than the price paid to farmers? If so, one important buying element would be taken out of the market, in fact the only important element which has tended of late to keep prices above the minimum established by pegging.

Sales made to Great Britain have not been reflected in the market, have been negotiated between two government agencies, the Canadian Wheat Board and the Cereals Imports Committee of Great Britain. Canadian mills were left to buy their wheat in the open market, and up until last July the Canadian Wheat Board was not accustomed to sell wheat there. In consequence, the mills had to bid high enough for wheat to persuade farmers to sell it to them instead of to the Canadian Wheat Board.

Wheat Board as Monitor

Last July, however, the Canadian Wheat Board began to sell wheat in the open market, as is disclosed by the recently published annual report of that body, and the opinion of observers is that such a policy has been continued since that time. Such selling did not necessarily reduce the quantity of wheat carried by the Board. To the extent that it prevented prices from rising higher than was actually the case, presumably less wheat was sold on the open market by farmers, and more was delivered to the Board.

On the other hand, had the Wheat Board refrained from offering, and had the market risen a few cents more under the influence of bidding from the mills, the price advance would presumably have been checked as soon as offerings by farmers exceeded the quantities actually in demand from the mills.

In Manitoba and Saskatchewan, during the current crop year, more than half of the wheat sold by farmers has been on the open market. In Alberta, where, because of freight rate differentials the Wheat Board basis has been comparatively better in relation to the open market, conditions have been reversed, and perhaps 75% or more of farmers' wheat has gone to the Board. The peg in the market this year might as well have been at 90 cents as at 70 cents, and provided that the Wheat Board had refrained from offering wheat except when the market was well over the peg, a higher price level might well have been sustained.

Next crop year, it is thought, may see a considerably greater quantity of wheat to be disposed of by farmers. In that case it is possible the market could not sustain itself at a level very much higher than the wheat Board basis.

At a differential of 3 or 4 cents in favor of the open market a considerable number of farmers would continue to deliver their wheat to the Board. Should the differential in favor of the open market rise as high as 10 cents above the Wheat Board basic price, the great bulk of wheat would presumably be offered there instead of to the Board, perhaps a greater quantity than the available demand would absorb.

Distillers Buys Shares For Sinking Fund

Distillers Corporation-Seagrams Ltd. reports that during January 1,100 shares of preferred stock were purchased for retirement and cancellation on account of sinking fund. This reduced the number of shares outstanding to 154,700, to which must be added the 12,500 shares issued during January, making the total outstanding at present 167,200 shares.

Plan Change In E. P. T.

Amendment to the Excess Profits Tax Act is being introduced at the current session of parliament, according to a statement by Hon. J. L. Ilsley, Minister of Finance.

The proposed amendment will require that new businesses which commenced operations after Jan. 1, 1939, must apply to the Board of Referees for determination of their standard profit. Under existing regulations, companies which began operations after Dec. 31, 1937, could take the actual results of their first year of operations as their standard profit. They also had the alternative of applying to the Board of Referees but this application to the Board will now become mandatory for those starting operations after Jan. 1, 1939.

In explaining the proposed amendment, and after outlining present procedure, Mr. Ilsley stated in part:

"In some cases this may give very unfair advantages to those taxpayers who commenced business after Jan. 1, 1939. For example, if a company commenced business in the latter part of 1939, after the war broke out, and, due to the war situation, made exceptionally large profits in its first fiscal period, these earnings under the present law would constitute the base from which excess profits would be measured. The proposed measure will disallow this and make it necessary for such a company to apply to the Board of Referees for a determination of its standard profit."

Mr. Ilsley also announced, on behalf of National Revenue Minister Gibson, that the income tax commissioner has given a further definition of the position of sole proprietorships in respect of the minimum standard profit of $5,000. This rule is to be interpreted so as to provide for this minimum after, rather than before, deduction of "reasonable salary."

The Bank of Nova Scotia

Dividend No. 289

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, and that the same will be payable on and after Wednesday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.

H. D. BURNS, General Manager.

Halifax, N.S., February 10th, 1942.

The London & Western Trusts Company Limited

Dividend No. 96

Notice is hereby given that a dividend of One Dollar per share has been declared, payable on the 1st day of April, 1942, to shareholders of record at the close of business on the 15th day of March, 1942.

By Order of the Board.

T. F. WALKER, General Manager.

London, Ontario. February 14, 1942.

SISCOE GOLD MINES LIMITED

NOTICE OF DIVIDEND NO. 40

Notice is hereby given that a Dividend of Two Cents (2c) per share on the issued Capital Stock of Siscoe Gold Mines, Limited, has been declared payable on March 16th, 1942, to shareholders of record at the close of business on the 13th day of February, 1942.

By Order of the Board,

H. E. GREEN, Secretary-Treasurer.

Montreal, 6th February, 1942.

See Sixty-Cent Barley No Bar To Hog Raising

Proposal made at Ottawa by United Grain Growers and the Canadian Federation of Agriculture for a guaranteed minimum price on feed barley of 60 cents a bushel, is causing considerable discussion in grain circles.

It is generally admitted that such a price is presumably in line with current prices for hogs. It is close to the present market and eastern farmers are said to be buying all the barley that western farmers are willing to sell at that price. It is believed that such a price guarantee would probably result in the seeding of a considerably larger acreage to barley, and a corresponding diversion from wheat.

Those who question the usefulness of a guarantee express the fear that western farmers, instead of feeding barley to hogs would reduce their livestock operations, and prefer to sell barley rather than to feed it.

But barley at 60 cents at the head of the lakes is worth only approximately one cent a pound on the farm, on the average. At present hog prices it is said, western farmers will find it profitable to feed grain rather than to sell it. Only those farmers who have other grain, such as low grade wheat or oats, to feed to hogs, would be tempted to dispose of feed barley.

Those familiar with western farming conditions also repudiate the suggestion that an increase in the guaranteed price for wheat will interfere with the present trend toward increasing livestock operations in the west. By this time farmers are quite familiar with the idea that their wheat deliveries may be severely limited by delivery quotas, and in consequence those equipped to handle livestock are doing so to a steadily increasing extent. The only areas where such a development is not in progress are those in which scarcity of water makes livestock feeding either impossible or very precarious.

Exchange Hits Barcelona Tr.

Question of exchange remains the chief preoccupation of Barcelona Traction, Light and Power Co., Henri Speciael, president, told the annual meeting at Toronto. Net earnings for 1941 of the operating companies in pesetas should show a satisfactory improvement over 1940. Exchange situation, shows no improvement whatever, and it is impossible at present to get any funds remitted from Spain.

Production of hydraulic power during 1941 was a record, and the present hydraulic situation will secure the supply of power during the present dry season, it is stated.

S. G. Crowell and C. K. Wilmers were added to the board of directors.

5-Year Report

The meeting was presented with the 22nd annual report covering the period Jan. 1, 1936 to Dec. 31, 1940. From July, 1936 to January, 1939, the Workers' Committee assumed complete control of the enterprise and results of trading for that period are unknown.

During the five-year period income from investments in subsidiary companies, due and accrued but not received, amounted to $13.8 millions. After provision for bond interest and sinking fund a balance of $5.6 millions was carried to earned surplus account.

To cover losses of the Spanish subsidiaries due to physical damage, other losses and bond interest during the Civil War $17.6 millions has been appropriated. For this purpose all the surplus reserves and revenue balances of the company as at Dec. 31, 1935, have been absorbed, leaving a net deficit of $3.5 millions. This deficiency is still subject to any changes which may result if and when the trading results during the Civil War period are ascertained.

Electrolux Defers Quarterly Dividend

Directors of Electrolux Corp. have voted to cease paying quarterly dividends, stating dividend action will be considered as and when conditions justify. Action was due to uncertainty arising out of rationing of raw materials, curtailment of vacuum cleaner output and conversion of manufacturing facilities to war materials.

Earnings for 1941, it is stated, are expected to compare favorably with 1940, but it has been decided to conserve resources.

Court Hears Abitibi Case

Affairs of Abitibi Power & Paper Co. received another airing in court recently when the Ontario Court of Appeals heard an appeal brought by R. S. McPherson, liquidator for the company, against Mr. Justice Middleton's order granting a sale of the property without reserve bid on Feb. 18.

The appeal court reserved judgment after a two-day hearing. The liquidator's counsel, D. L. McCarthy, K.C., maintained that the Abitibi Moratorium Act was valid and traced the long legal proceedings which followed default of bond interest by this company almost ten years ago.

In support of Mr. Justice Middleton's order, W. N. Tilley, K.C., appeared for the Montreal Trust Co. and maintained that the provincial legislation in question hindered access to the court. He also maintained that it meant the province invading fields covered by Dominion legislation

Company Reports

Building Products

Building Products Ltd. reports higher earnings in 1941 than in 1940. Gross income of $1,167,266 was about $20,000 greater than in 1940. After providing for increased tax position, net profit of $475,755 was 98 cents a share ($413,843, or 86 cents a share in 1940).

Cash and inventories were higher, while accounts receivable and holdings of Government bonds declined. Investment in plant advanced nearly $200,000.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	1,167,266	1,049,315
Less: Depreciation	98,538	99,359
Directors' fees	3,280	3,360
Legal fees	2,904	1,383
Exec. salaries	91,789	91,370
Tax provision	495,000	440,000
Net profit	475,755	413,843
Less: Dividends	386,707	386,707
Surplus	89,048	27,136
Add: Prev. surplus	1,033,079	1,024,848
Less: Invent. deprec.	50,000	......
Inc. tax adjust.	......	18,905
Surplus forward	1,072,127	1,033,079
Working Capital	$	$
Current assets	2,677,188	2,528,390
Current liabilities	867,313	740,269
Working capital	1,809,875	1,788,121
Balance Sheet Changes	1941 $	1940 $
Inventories	701,538	624,940
Accts. receivable	538,288	730,869
Govt. bonds	970,755	1,007,911
Cash	403,573	153,033
Plant	2,228,544	2,031,250

Guarantee Co. of N.A.

Guarantee Co. of North America reports total income in 1941 of $834,917, compared with $771,715 in 1940. Expenditures were $711,273 against $561,466 the year before. Following payment of the usual dividends and bonus, surplus was carried forward to profit and loss balance which now stands at $3.3 millions, an increase of $32,717.

Balance sheet shows total assets of $4,749,924 against $4,732,890. Cash was $380,349, compared with $332,334 in 1940, and investments at cost are shown at $4,125,451 against $4,067,272.

Bell Telephone

Bell Telephone Co. of Canada statement for 1941 reflects sharp expansion in revenue, as well as taxes, and a moderate improvement in net profits. Operating income last year of $50.7 millions showed gain of $5 millions over the previous year. Income taxes were up nearly $3 millions to $6.2 millions. Net profit was equal to $8.80 a share, as against $8.15 in 1940.

Net telephone installations last year at 63,651 constituted the largest gain of any year in company history. There were 888,348 stations in service at the end of 1941. New construction amounted to $14.2 millions in value. Most of the expenditure was to provide for the very rapid growth in wartime industrial activity. A number of new dial central offices were opened; repeater stations installed; and toll switchboard and terminal equipment added, as well as new long distance circuits. Traffic over the Trans-Canada System in 1941 was approximately 60% greater than the year before.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating revenue	50,710,575	45,774,752
Less: Oper. expenses	13,997,413	13,124,628
Maintenance	10,040,962	9,328,328
Depreciation	8,304,308	7,897,443
Income tax	6,242,000	3,483,000
Other taxes	1,834,000	1,962,000
Add: Other income	657,213	608,779
Net revenue	10,949,108	10,588,132
Less: Bond interest	2,770,000	3,009,888
Other interest	514,999	502,888
Debt discount	156,509	139,483
Other charges	204,694	245,330
Net profit	7,302,906	6,690,542
Less: Dividends	6,621,992	6,524,680
Surplus for year	680,914	165,862
Working Capital		
Current assets	11,038,036	10,197,970
Current liabilities	4,049,144	3,431,265
Working capital	6,988,892	6,766,705
Balance Sheet Changes	$	$
Plant account	194,302,247	185,527,833
Capital stock	83,249,200	82,114,900
Land & buildings	22,351,607	21,905,014
Accts. receivable	4,765,988	4,280,470

Canadian Bronze

Canadian Bronze Co. statement for 1941 reveals sharp advance in gross and net earnings over 1940. Operating profit of $629,331 compared with $367,415 the year before. After all charges, net income was equal to $3.05 a share on the common, against $1.88 in 1940.

Balance sheet shows moderate improvement in net working capital. The principal changes had to do with cash, accounts receivable and payable and marketable securities.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	629,331	367,415
Less: Depreciation	42,127	49,860
Tax provision	263,000	120,000
Legal fees	797	792
Directors' fees	9,320	5,823
Exec salaries	40,035	34,056
Add: Other income	7,097	10,893
Net profit	281,149	187,777
Less: Pfd. dividends	37,500	37,500
Com. dividends	160,000	160,000
Surplus for year	83,649	*9,723
Add: Prev. surplus	523,245	535,968
Less: Invest. reserve	25,000	......
Add. inc. tax	......	3,000
Surplus forward	581,894	523,245
Working Capital	$	$
Current assets	1,281,851	997,677
Current liabilities	554,812	310,493
Working capital	727,039	687,184
Balance Sheet Changes	$	$
Cash	190,927	22,847
Accts. receivable	531,869	326,937
Accts. payable	222,628	97,783
Market. securities	181,228	53,752

South. U. S. Publishers Move to Save Paper

Members of the Southern Newspaper Publishers Association have agreed voluntarily to reduce consumption of paper in order to conserve newsprint.

No particulars are available as to the method which the Association plans to adopt to conserve newsprint, or the amount which it anticipates will be saved under the plan.

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS—FORT WILLIAM—PORT ARTHUR—VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

GRAIN MERCHANTS
RECEIVERS • SHIPPERS • EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators
Capacity 12,500,000 Bushels
MEMBERS
Winnipeg Grain Exchange
Chicago Board of Trade
New York Produce Exchange
and other Exchanges
Head Office, WINNIPEG • Private wires connecting offices across Canada

JAMES RICHARDSON & SONS LIMITED
EST. 1857

May Pierce Ceilings To Boost Malt Barley

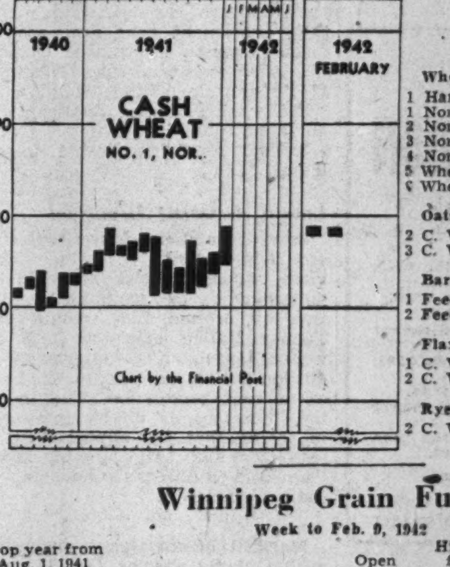
From Our Own Correspondent

WINNIPEG.—One feature of government grain policy for the coming crop year may be the removal of the ceiling on prices for malting barley. At present the ceiling for all grades of barley is 64¾ cents per bushel basis lakehead terminals, with a premium of five cents per bushel allowed on cars of barley especially selected and actually diverted to malting plants.

Demand for feed barley has brought prices for all grades close to ceiling level, so that much of the advantage to the producer of high-grade malting barley has disappeared. Only certain varieties are suitable for malting, and these only produce good malting barley when weather conditions are favorable. Under other conditons the product is only suitable for feed. The malting varieties are characteristically lower in yield than others grown only for feed. Present prices structure consequently offers an inducement to a barley grower to forsake malting varieties and grow feed instead.

The supply of barley for the malting trade may be endangered, and this fact would provide sufficient reason for the Wartime Prices and Trade Board to modify its ceiling. Pressure for such action is thought likely to come from the purchasers more than from the producers of malting barley. Buyers of malt are believed more concerned to have a sufficient supply of barley than with the price.

Wheat Prices



Cash Quotations

For Week

	Feb. 9 High	Feb. 9 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.78¾	.78⅛	.78¾	.77⅝
1 Nor.	.78¾	.78⅛	.78¾	.77⅞
2 Nor.	.76⅝	.74⅞	.75½	.74⅝
3 Nor.	.74	.73⅜	.74	.73
4 Nor.	.73	.72⅜	.73	.71⅜
5 Wheat	.71⅜	.70¾	.71⅜	.70¼
6 Wheat	.69⅜	.68¾	.69⅜	.68¼
Oats:				
2 C. W.	.51¼	.50⅜	.51½	.51⅛
3 C. W.	.50⅜	.48⅜	.51⅛	.50⅞
Barley:				
1 Feed	.61¾	.60⅛	.61¾	.61⅝
2 Feed	.60¾	.59⅛	.60¾	.60⅝
Flax:				
1 C. W.	1.62	1.60¾	1.62¾	1.62⅛
2 C. W.	1.59	1.57⅜	1.60	1.60
Rye:				
2 C. W.	.66½	.64⅝	.66⅛	.65⅛

Winnipeg Grain Futures

Week to Feb. 9, 1942

Crop year from Aug. 1, 1941 High	Low		Open Feb. 3	High for week	Low for week	Close Feb. 9	Close year ago
		Wheat					
.82¾	.76¼	May	.80⅝	.81⅛	.79¾	.80⅝	.78
.82⅛	.77½	July	.81⅛	.82	.80⅞	.81⅝	.79⅝
		Oats					
.51½	.38⅛	May	.50¼	.51	.49⅞	.50⅛	.34⅞
.51¾	.43⅛	July	.50¼	.50⅝	.48¾	.49⅛	.33¼
.50	.46⅞	Oct.	.48⅞	.49⅛	.47⅜	.48	.31⅞
		Barley					
.64¾	.49⅞	May	.64⅜	.64¾	.63⅝	.64⅛	.46⅞
.64⅜	.55⅛	July	.63⅞	.64	.62	.63	.43⅞
.63⅞	.57	Oct.	.62	.62	.60⅝	.60⅞	.....
		Flax					
1.64½	1.40¼	May	1.64	1.64	1.62½	1.62⅞	1.55⅜
1.64	1.48	July	1.64	1.64	1.63	1.63¼	1.53
1.64	1.60	Oct.	1.64	1.64	1.62	1.63⅜	1.48¾
		Rye					
.67⅞	.51¾	May	.66⅜	.66⅜	.66⅜	.66⅜	.49¾
.66⅝	.60⅜	July	.66⅝	.66⅝	.66⅜	.66⅜	.49⅞
.66⅝	.66⅝	Oct.	.66⅝	.66⅝	.66⅞	.66⅝	.....

Your Investment Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....

Occupation ....

Address .... F.P.

I would like information about this investment ....

Ontario Seeks Fraud Law Tightening

Would Make Reckless Forecasting a Criminal Offense

Speaking before the Ontario Prospectors' and Developers' Association last week, Hon. G. D. Conant, Attorney-General of Ontario, revealed representations have been made to Ottawa to secure amendment of the criminal code as it affects sale of stock.

The proposed amendment would, in effect, make it a criminal offence for any person to make any statement or promise which he knows to be false for the purpose of inducing any other person to purchase securities. This, Mr. Conant states, will greatly simplify prosecution of fraud.

Would Follow English Law

The present criminal code makes it an offense to misrepresent the past or present but does not cover forecasts of the future. Queen's Park is now asking Ottawa to make Canadian criminal law conform to that in England so that reckless forecasts regarding the future may be made the subject of criminal prosecutions.

Mr. Conant, in his speech to the Prospectors' Association, stated that the proposed amendment to the criminal code was being taken up at Ottawa with a view to meeting the current situation and "removing som. of the regulations which are subject of most complaints." What regulations he had in mind was not stated, but The Financial Post is reliably informed that no relaxation of regulations regarding sale of securities is contemplated; that present regulations which serve to prevent frauds occurring in the first place are to be continued.

Dominion Must Act First

It is not considered likely that the contemplated changes will be made public unless and until the Dominion government sees fit to change the criminal code. There is no indication as yet how Ottawa will view the Ontario proposal. Changes in Ontario securities regulations depend on the form the Dominion may possibly decide on for an amendment of the code, it is pointed out.

Present Ontario regulations call for registration of a security issue before trading may be carried on within the province. Salesmen and security firms must also be licensed before they can sell stocks.

Existing legislation says that a salesman may not do any of the following things:

1. Represent that a stock is going to be listed.
2. Make a guarantee concerning the future performance of a stock.
3. Make a promise to repurchase or resell shares.
4. Call on a private house to make a canvass unless the prospect is a friend or a client.

B.C. Situation

On the British Columbia coast, a number of brokers and mining men have expressed the opinion recently that the criminal code and the company act in that province provide sufficient facilities for dealing effectively with fraudulent activity in the promotion of mining companies. A. N. Wolverton, president of the Vancouver Stock Exchange, gave his opinion to The Financial Post recently as follows:

"The mining industry in British Columbia has been crippled during the past 10 years of enforcement of the securities act. Times change and so do fashions, but to my mind the normal and reasonable way for the development of mining should be through the traditional channel of prospectors, syndicates and sound financing. We are ready to condemn the shady promoter, the crooked mine financier and fly-by-night salesmen, but there are ways of dealing with them without applying curbs to legitimate development."

If the amendment suggested by Mr. Conant to Hon. L. St. Laurent, Federal Minister of Justice, is implemented, of course, it would have the effect of strengthening prosecution of fraud in all provinces and not Ontario alone.

B.C. To Follow Ontario

In British Columbia, the only appeal from the securities department is to the Attorney-General. The present Attorney-General, R. L. Maitland, is understood to be opposed to this feature and favors recourse to the courts. It is possible that an amendment to the securities act granting this will be introduced into the provincial legislature. In Ontario, the right to appeal to the courts was granted some time ago and has been regarded by Ontario authorities as strengthening their hand in security regulation.

The Week In Oils

From Our Own Correspondent

CALGARY.—Living up to the predictions made for it, Turner Valley's latest outpost completion Atlas-British Dominion No. 2 has developed into one of the largest producers in the field. After completion of acidizing, it may rank as the field's largest.

The well has been placed on production making new oil at a flush rate of 32 bbls. hourly, and settling to 12 bbls. hourly. A 750-gallon shot of "mud acid" was then applied to clear the formation walls of caked drill fluid. Cleared, the well made 382 bbls. of new oil in a 10½-hour flush run with aid of booster gas.

Some 1,000 gallons of regular acid have been applied to each of the two porous zones. Kicked off, the well started out at 116 bbls. an hour and settled to around 50 bbls. hourly. The oil yield in a 20-hour run under the well's own power was 1,194 bbls.

The final shot, comprising 5,000 gallons to the lower porous zone and 3,000 gallons to the upper zone, was expected to materially increase the well's flow rate, assuring it of a place among the largest producers in the field.

* * *

Major 4 Output High

Major Oil Investments No. 4, the recent completion which prior to the completion of Atlas-British Dominion was the most northerly producer in the field, has been opened up for productivity test. The oil yield for the first four days of this test run was as follows: 1,921 bbls.; 1,815 bbls.; 1,803 bbls.; 1,810 bbls. The gas-oil ratio is running under 900 cu. ft. per bbl.

Major No. 4 will not, of course, be operated steadily at this rate, because straining a well or running it wide open would result in serious injury and a considerable reduction in ultimate oil recovery. It is likely, however, that Major No. 4 will receive a production allotment placing it in about the same class as Major No. 3, which is now producing under a quota of 1,115 bbls. per day.

* * *

Drillers & Producers No. 3, recent completion on the Turner Valley central west flank, has developed into a substantial producer as a result of systematic acid treatment, and is now expected to rank in the same class as the near-by Pacific Pete. No. 5 producer.

The well has received its final acid treatment, started off with a flush of 105 bbls. the first hour, and gradually settled to about 30 bbls. per hour, under its own power. Gas-oil ratio is low.

* * *

Royalty Question Appeal

The important question of what powers, if any, the Alberta government has to alter the crown royalty payable on crown leases producing oil and gas is going to be decided by the appellate division of the Alberta supreme court.

The hearing on the question is slated to open in Calgary on Feb. 16, but it is expected that oil operators will ask for an adjournment to enable lease owners to prepare their arguments.

The whole question was opened up last May 28, when the provincial government passed an order-in-council scrapping the straight 10% crown royalty for a straight 12½% on leases issued by the Dominion government when it controlled natural resources, and a choice between 12½% and a "sliding scale" royalty on provincial leases and school lands.

* * *

Paying Only 10% Now

The oil industry took exception to the order and has since carried out a policy of paying only on the 10% basis. The government threatened action, and at one time proposed to sue the Royalite Oil Co. as a test case. The action was never taken, however.

The government has announced that it has referred the whole question to the appeal court for decision. In addition to asking a decision on the legality of the May, 1941, order, the government asks decisions on three proposed alternative Orders:

1. A choice on all leases between 12½% and the sliding scale.
2. The sliding scale applicable to all leases.
3. The 12½% applicable to all leases.

* * *

Large Amount Involved

Any one of these four alternative orders-in-council, if ruled intra vires, would increase the Alberta government's cut from oil production by around 25%, would cost Turner Valley operators and investors as much as quarter of a million dollars per year on the basis of current production. The industry, therefore, is vitally interested in seeing that the appeal court is supplied with all possible data, from the industry's viewpoint as the government's.

Marlhill Mines was incorporated with Ontario charter Jan. 15, 1942, according to the Ontario Gazette. Authorized capital is 1,000 shares of no par value.

Preston Prepares For Boost With Equipment at Property

From Our Own Correspondent

TIMMINS. — Practically all the equipment for raising mill capacity from 550 to 1,000 tons a day had been delivered to Preston East Dome Mines by early this month and installation is proceeding rapidly.

It is expected that the new production unit will be ready for operation early in March. Additional hoisting facilities and compressor capacity have been installed. Rate of 1,000 tons daily is expected to be reached toward the end of the second quarter. At the increased rate, a higher proportion of lower grade ore will be mined with undue dilution to be controlled by sorting.

Expect $4.50 to $5.00 Margin

Grade milled is expected to be 0.25 oz. gold per ton or higher. With operating costs below $5 a ton, an operating profit of $4.50 to $5 a ton or $135,000 to $150,000 a month appears a likelihood. Grade could be affected sharply upward, however, by recurrence on the lower levels of the high grade, north-south cross fracture veins.

Operating profits in 1941 totalled $1,374,538. Net profit after allowance for depreciation and pre-development and provision for taxation is estimated at approximately $825,000 equal to 27 cents a share. Dividends totalling 30 cents a share or $900,000 were paid during the year.

After showing a declining tendency the first half of 1941, operating profits showed a tendency to stiffen the second half of the year. A sharp upward increase in operating profits is expected with the increased mill capacity as outlined above. The record of operations in 1941 is as follows:

1941:	Tons milled	Aver. recov. $	Total recov. $	Oper. profit $
January	16,095	12.52	201,588	122,053
February	13,939	14.47	201,692	132,157
March	15,543	14.36	223,354	147,532
April	14,933	11.94	179,201	106,140
May	15,606	11.59	180,863	103,036
June	15,851	11.67	185,031	99,393
July	16,527	11.62	192,333	103,614
August	17,080	11.10	189,636	105,113
September	17,568	11.58	203,370	117,231
October	17,961	11.32	203,312	110,844
November	16,130	13.12	211,698	104,449
December	17,584	12.98	228,292	122,976
Total	194,817	12.31	2,400,370	1,374,538

Operating costs in 1941 increased from $4.117 to $5.255 a ton. This was partly due to prevailing economic conditions and partly due to the heavy expenditures on mine preparation for the projected increase in production. Development expenditures during the year were close to $350,000 or $1.80 per ton of ore milled.

Mine preparation has been proceeded with aggressively. Ore and waste passes from the 6th to 12th levels have been finished with the loading pocket below the 12th level ready for use.

Preparing Stopes

Stope preparation is now under way from the 7th to the 10th levels with the footwall ore bodies being silled out. Lateral development on the 12th and 13th levels is to be proceeded with immediately. The shaft crosscut on the 12th level is now in the footwall porphyry mass. Little work has been done to date on the 13th level.

Recent drift development on the 7th level has increased the total ore lengths to 1,200 ft. Close interval drilling is being done to delimit the ore widths with initial drill returns confirming upper level dimensions.

During 1941, the ore reserve position has been strengthened by disclosures to the 10th level. Reserves at Jan. 1, 1941, had totalled 662,700 tons of 0.256 oz. grade. Owing to the irregular character of the footwall ore bodies, extensive drilling is required to outline general widths on each level. Experience gained in stoping the upper levels has enlarged the original drift and drilling estimates in a most pronounced manner.

To Mill Tungsten At Cons. Nicola

Equipment Now Being Installed to Recover Needed War Mineral

From Our Own Correspondent

VANCOUVER. — Another tungsten property will soon be in production in British Columbia, according to Hon. H. H. Stevens, president of Consolidated Nicola Goldfields, who says equipment is being installed at the existing gold plant to treat scheelite as well as other ores, at rate of 200 tons daily.

Other tungsten operations in British Columbia are at the Roche de Boule mine controlled by Consolidated Mining & Smelting Co. near Vanderhoof, and the Edward Phillips mine in the Bridge River. In the Yukon, Bralorne Mines has taken an option on the Canadian Tungsten claims.

Mr. Stevens says that the equipment at Consolidated Nicola consists of Wilfley tables, six large-sized Denver cells and a unique system of screens which, when installed, will by-pass some of the finer ores from the crushing plant direct to the tables and cells, taking some of the load off the ball mill and thus increasing the mill's capacity.

The result of the installations is that while hitherto the company has received no returns from either zinc or scheelite, it will now produce a selective concentrate, gold-silver-lead concentrate, zinc concentrate and a scheelite concentrate.

Scheelite is reported to occur over a wide range of the property in the Stump Lake district, near Kamloops, at considerable depth.

International Nickel Elects New Director

Henry S. Wingate has been elected a director of International Nickel Co. of Canada. Mr. Wingate has been secretary of International Nickel since November, 1939, and assistant to the president of the International Nickel Co. Inc., since October, 1935.

Mining INVESTMENTS

Mining markets this week reflected further unsettlement in the international situation by taking mining stocks lower. Prices in Toronto hit a low for the last nine years, breaking through the lows established the previous week.

Traders were inclined to compare the present situation with that existing at the time of the fall of France in June, 1940. In the present sell-off, senior golds have suffered rather severely, the juniors less so.

The A. I. M. M. — The American Institute of Mining and Metallurgical Engineers—opened its 156th session in New York Feb. 9. Canadians attending the meeting included Max W. Ball, president of Abasand Oils, who is speaking on "Anglo-American Responsibilities." Other papers include:

"Comparative Metal Supplies in 1942 of the United Nations and the Axis Powers"; "Elements of a Materials Conservation Programme"; "Controlling Factors in Iron and Steel"; "Copper and Zinc, How to Expand Production"; "Manganese and Chrome—Two Vital Ferro Alloying Materials"; "Magnesium — Increasing Output 60-Fold."

* * *

New Edition of the Canadian Mines Handbook, The Northern Miner, Toronto, states that while 14 new producers started operations last year, the figure of 144 gold mills in operation this year is lower by two due to cessation of production at 16 properties.

The search for war metals was continued aggressively, however, as witnessed by the number of companies formed to work on properties with showings of manganese, mercury, tungsten and other metals. In New Brunswick two mills were operating by the year end on manganese, while in British Columbia several mills are working on mercury and tungsten. In Ontario construction of a plant for commercial production of magnesium metal is getting under way.

Even though taxation reached new heights and operating costs were generally higher, dividends were higher at $107 millions compared with $104.7 millions in 1940.

* * *

Japan's aluminum may be the weak spot in that country's war chest in the opinion of Leonard Engel, writing in The New York Times. While efforts have been made to increase aluminum production in recent years, output last year was only 45,000 tons, he reports, against an estimated 200,000 tons turned in by the United States and a nearly similar amount for the British Empire.

With conquest of the Malay States it is now possible that Japan has secured a fairly adequate supply of bauxite ore unless "earth scorching" delays tapping bauxite sources. Power has been a severe handicap to the Japanese in expanding aluminum production, however, and may continue the bottleneck preventing Japan from becoming important in the aluminum production field.

Beattie Operating Profit Highest Last Quarter

Operating profit of $283,726 realized by Beattie Gold Mines (Quebec) the last quarter of 1941 was the highest for any quarter of the year. It compared with $268,846 the preceding quarter and $271,167 the last quarter of 1940.

Increased production at $777,627 the December, 1941, quarter more than offset higher operating charges. Production the preceding quarter was $744,387 while $700,461 was recovered the last quarter of 1940.

Profit figures are after allowance for taxes but before charges for depreciation.

Montreal Stock Sales Decline in Value

From Our Own Correspondent

Value of shares traded on the Montreal Stock Exchange and Montreal Curb Market showed a decline of $1.7 million during January, as compared with the previous month, and $1.3 million from January, 1941. Value of shares traded last month was $4.1 millions, as against $5.8 millions in December, 1941.

Consolidated Paper Issues More Stock

Consolidated Paper Corp. advises the Montreal Curb Market that 113½ shares have been issued in payment of interest, making the total shares outstanding 2,560,297 35/40ths.

Kirkl'd Strike Seen Near End

Men Returning 80 a Day Early This Week — No Mass Movement

Local opinion at Kirkland Lake is growing that the strike which has been in effect at eight mines since Nov. 18 will soon be over. It will be recalled that in a telegram to Prime Minister King late last week, the union stated its men would return to work if assurance were provided against discrimination. Ottawa, however, stated that it was not prepared to intervene.

Since those developments, there has been no mass return to work by strikers although unconfirmed reports have been to the effect that the union is in no financial position to fight the strike further. However, the usual trickle of men back to work has shown a substantial increase this week. Where men were coming back to work around 10 a day, early this week they were reporting at the rate of 80 a day.

Strikers Now Returning

The earlier flow of men to work in large part represented those who had not been in sympathy with the strike but felt it desirable to follow along. Men this week, however, are stated to have been strikers and this is taken by the operators as an important indication the strike may finally be breaking. The names of the men reporting back for work are being taken, some are being placed at work while others will be placed at work as operations allow.

From Feb. 2 to Feb. 5, a total of 22 men returned to work. On Feb. 7, 17 more reported. Feb. 8 and Feb. 9 saw 15 more men at work at the eight mines affected by the strike with 12 more reporting on Feb. 10. This made a total of 66 for nine days of February. On Monday of this week alone 80 more turned up and on Tuesday there were just as many more coming to the mine gates.

La Luz Shows Great Growth

Ventures and Sudbury Basin-financed Mine Nets Over Million

Outstanding growth was realized by La Luz Mines in its fiscal year ended Sept. 30, 1941. Highlights of results follow:

Profits almost doubled at $1,196,718 ($630,585 the previous fiscal year).

Earnings of 88 cents a share (46 cents in 1939-40).

Tonnage of ore milled and value of output both more than doubled.

Working capital increased from $18,644 to $730,142 without issue of additional shares.

In the year to Sept. 30, 1941, a total of 367,135 tons of ore were milled, with value of $2,553,875 against the previous year's $1,249,482 from 171,551 tons of ore and average recovery of $7.28.

The programme of expansion was continued during the year, a total of $637,308 being spent. The mill is now treating 1,000 to 1,200 tons of ore a day. While there is sufficient equipment on hand to raise capacity to 1,500 tons daily, it is stated to be a question whether the company will be able to go beyond its present rate under existing world conditions.

Completion of the Yy river power plant is expected by June 1. After this only minor capital expenditures will be ahead and directors will be able to consider dividends, it is stated.

Assurances have been received from authorities both in Canada and Nicaragua that every assistance will be afforded in obtaining necessary supplies.

Income and Surplus Account Years Ended Sept. 30

	1941 $	1940 $
Bullion production	2,553,875	1,249,482
Less: Marketing	48,761	30,825
	2,505,114	1,218,657
Less: Mining	215,944	89,182
Milling	437,456	226,310
Gen. mine expense.	229,384	83,254
Adm. exp. ex Nicaragua	72,736	22,017
Operating profit	1,549,594	797,894
Less: Depreciation	180,001	87,990
Def. development	73,427	34,310
Nicaragua taxes	99,448	45,009
Net profit	1,196,718	630,585
Add: Prev. surplus	594,574	*13,289
Less: Overhead adj.	114,589	......
Panaminas advs.	20,000	20,000
Other items	6,000	2,722
Surplus forward	1,650,703	594,574
*Deficit.		
Earns. per Share and Dividend Record:		
Earned	$0.883	$0.463
No dividends paid.		
No. of Shs. Outstand.	1,355,920	1,355,920
Working Capital		
Working capital	730,142	18,644

New Estimate Cuts Teck's Reserves

With production rate reduced to 230 tons daily, Teck-Hughes Gold Mines has found it advisable to revise estimate of ore reserves to conform with changed conditions. Reserves of positive ore at end of 1941 are estimated at 345,969 tons of $6.79 dwt. compared with 446,347 tons of 5.63 dwt. on Aug. 31, 1941. (A pennyweight equals $1.75 at $35 gold.) Difference of 100,378 tons represents roughly the low grade or unprofitable rock that has been dropped, it is stated.

Lamaque Dividends Important

Earnings in 16 months ended Dec. 31, 1941, totalled $2,434,190 or 50.6 cents a share. Over half the profit —$1,449,941 — represented dividends received from the subsidiary Lamaque Gold Mines.

Production in the 16 months ended Dec. 31, 1941, amounted to $3,645,941 from 356,820 tons of ore milled, an average recovery of $10.22 per ton. In the year ended Aug. 31, 1940, $3,605,276 had been recovered from 337,430 tons of ore, an average recovery of $10.68 per ton.

HOW TO MAKE MONEY IN OIL ROYALTIES

What to buy and when so as to get the maximum from your investment.

This booklet tells you how. Write today for your copy—it will be sent without charge or obligation.

CENTURY SECURITIES COMPANY

100 Adelaide St. West, Toronto

Members of Oil Royalty Dealers Association of Ontario

NEW YORK

TWO SERVICES DAILY

$22.55* one way — $40.58 round trip (Plus Tax)

CHICAGO—Fast, convenient, twice-daily service. Daily service to St. Louis, Oklahoma, Texas, California.

BOSTON—Five services daily. 3 hours, 42 minutes.

BUFFALO—Twice daily. Connections to Rochester, Syracuse and Cleveland.

WASHINGTON—Four services daily—4 hours. Daily service to Pittsburgh and Baltimore.

GOING		
Lv. Toronto	10:30 am	6:30 pm
Ar. Buffalo	11:07 am	7:07 pm
Ar. Newark	1:31 pm	—
Ar. New York	1:56 pm	9:00 pm
RETURNING		
Lv. New York	6:35 am	2:55 pm
Lv. Newark	7:00 am	—
Lv. Buffalo	9:25 am	5:35 pm
Ar. Toronto	10:05 am	6:15 pm

(Daylight Saving Time Shown)

COMPLIMENTARY MEALS SERVED ALOFT

21-PASSENGER FLAGSHIPS

*Fares Payable in Canadian Dollars.

For reservations, call your Travel Agent or WAVERLEY 4661

Ticket Office: Reford Bldg., 36 Wellington, West.

AMERICAN AIRLINES

ROUTE OF THE FLAGSHIPS

Is there a future for gold?

Are you worried about Canada's gold mining industry . . . or about your gold stocks?

Are you puzzled about the possible role of gold in the post-war money system?

Do you think we've made a fetish of gold?

It's better to KNOW than to worry. For a simple, lucid story of what gold has meant and still means to Canada and the world we suggest that you read

"THE GOLD STANDARD"

by

W. REDELMEIER

The author of this most informative and stimulating book is a distinguished Netherlands banker, now resident in Canada, who wrote his study for private circulation. A second printing, however, is now available at a dollar a copy, the gross proceeds being turned over to Canadian war hospitals.

Order Direct from

THE FINANCIAL POST

481 University Ave., Toronto, Canada

Please enclose dollar with order.

MANOIR PINOTEAU AT MONT TREMBLANT

In the Laurentians, at the base of famous Mont Tremblant . . . near chair ski-lift. Every comfort at moderate rates. Write for booklet, rates: Manoir Pinoteau, Mont Tremblant, P.Q.

To The Travelling Public:

HOTEL LONDON

London, Ontario,

Rates for Rooms as Follows:—

Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms with tub and shower combination, $6.00.

Soliciting your appreciated patronage.

H. F. STRUCKETT, Manager

Patronize FORD HOTELS for COMFORT and THRIFT!

FORD HOTEL MONTREAL

RATES: Single $1.50 to $2.50 NO HIGHER

FORD HOTEL TORONTO

and in OTTAWA → The LORD ELGIN

RATES Single $2.50 to $3.50 NO HIGHER

Position of Chartered Banks of Canada as of December 31st, 1941, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Government $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other Banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $
Montreal	17,405,960	41,603,824	8,688,205	....	358,085,369	420,588,710	98,149,959	2,582,773	7,427,278	12,163,009
Nova Scotia	6,188,967	8,972,274	616,654	....	84,862,035	152,348,211	50,772,156	3,553,950	1,150,383	1,602,313
Toronto	2,888,619	5,315,536	997,507	....	62,005,731	88,982,611	226,705	135,071	663,559	476,967
Provinciale	2,072,045	1,435,524	857,672	....	11,901,331	40,794,314	17,525	4,224	....	29,431
Commerce	14,393,580	18,186,992	13,175,251	....	234,501,036	331,778,317	73,140,359	1,598,272	3,307,253	6,739,259
Royal	19,526,472	17,383,596	11,572,880	....	346,488,649	350,750,015	225,469,704	13,550	2,391,624	10,726,010
Dominion	3,024,051	5,920,723	691,430	....	55,647,597	79,575,130	8,004,440	1,825,132	379,971	335,270
Nationale	3,575,012	3,764,589	1,807,692	....	45,001,707	101,865,260	473,400	1,884,119	115,222	640,865
Imperial	3,488,405	8,840,496	14,418,684	....	63,670,728	96,619,518	2,172,313	2,228,146	1,072,060	672,647
Barclays (Canada)	641,545	2,750,756	6,882	....	6,307,292	5,730,060	3,617,871	126,087	2,656,669	869,553
Total	73,204,656	114,174,310	52,832,857	....	1,268,471,475	1,669,032,146	462,044,432	13,951,324	19,164,019	34,255,324

NAME OF BANK	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	....	17,943,282	4,574,536	34,405	39,000,000	36,000,000	1,064,247,267
Nova Scotia	....	31,482,114	1,214,593	363,135	24,000,000	12,000,000	379,126,789
Toronto	....	2,860,179	....	9,602	10,000,000	6,000,000	180,571,091
Provinciale	....	140,914	3,174	4,499	1,000,000	4,000,000	62,260,657
Commerce	....	27,090,171	....	632,870	20,000,000	30,000,000	774,543,364
Royal	9,842	36,882,317	1,815,317	82,901	20,000,000	35,000,000	1,078,112,883
Dominion	....	2,489,224	670,533	177,197	7,000,000	7,000,000	172,740,704
Nationale	....	304,054	32,571	7,473	5,000,000	7,000,000	171,471,968
Imperial	....	3,449,027	....	177,095	8,000,000	7,000,000	211,809,121
Barclays (Canada)	....	861,882	11,358	....	750,000	1,500,000	25,829,960
Total	9,842	123,512,114	8,322,082	1,489,177	134,750,000	145,500,000	4,120,713,804

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are Partners $	Average Notes and Deposits with Bank of Can. $	Greatest Amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	387,388	89,774,248	17,765,355
Nova Scotia	15,000,000	12,000,000	12	2,567,214	29,608,000	7,217,272
Toronto	10,000,000	6,000,000	10	518,813	23,058,054	3,020,154
Provinciale	5,000,000	4,300,000	6	165,579	7,840,094	2,333,245
Commerce	50,000,000	30,000,000	8	971,540	64,961,473	14,964,722
Royal	50,000,000	35,000,000	8	1,186,627	74,278,556	22,198,581
Dominion	10,000,000	7,000,000	10	469,123	16,085,308	3,849,314
Nationale	10,000,000	7,000,000	8	139,350	13,081,885	3,616,322
Imperial	10,000,000	7,000,000	10	528,642	15,275,950	3,929,025
Barclays (Canada)	1,500,000	1,500,000	....	13,545	1,722,669	669,653
Total	211,500,000	145 500,000	....	6,947,821	335,686,237	79,563,845

▲Of this amount, $56,139,496 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canadian $	Cheques on other banks $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $
Montreal*	1,623,776	73,304	29,408,142	67,618,844	738,360	544,968	53,509,594	642	5,157,175	34,100,066
Nova Scotia	472,856	976,514	9,089,689	25,245,376	187,345	7,151,585	15,208,260	....	8,371,504	13,739,370
Toronto	346,774	....	5,295,669	15,036,861	89,280	88,784	6,825,566	....	420,261	2,077,104
Provinciale	296,022	....	2,672,511	5,119,841	84,650	43,327	2,995,171	1,758	22,341	804,437
Commerce†	1,165,758	172,916	20,459,655	47,301,150	307,941	2,237,739	28,350,976	20	5,678,815	21,615,035
Royal	1,843,301	1,943,748	30,571,529	43,379,012	722,858	20,695,114	61,293,678	5,622	14,018,451	48,716,869
Dominion	360,004	208	4,433,196	11,751,580	196,205	137,543	9,136,140	....	2,456,774	5,050,237
Nationale	656,259	....	7,248,707	7,630,411	140,675	67,355	8,135,041	978,205	13,821	1,593,308
Imperial	456,393	....	7,081,503	7,168,757	175,040	98,754	12,488,314	764,952	161,664	4,797,971
Barclays (Can.)	4,349	....	85,098	1,779,253	4,145	2,085	475,726	1,313,051	1,839,153	3,154,594
Total	7,225,491	3,166,680	116,345,699	232,031,085	2,646,499	31,067,254	198,418,466	3,064,250	38,139,959	135,648,991

NAME OF BANK	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $
Montreal*	258,792,047	207,388,409	17,142,778	26,342,667	24,472,654	2,395,522	15,806,333	230,894,398	20,932,409
Nova Scotia	50,907,187	58,526,070	10,629,318	2,329,391	9,724,247	3,069,734	900,521	106,195,902	13,556,254
Toronto	38,468,618	39,296,501	2,539,945	....	3,511,250	1,235,975	....	59,248,189	....
Provinciale	8,457,934	7,543,816	10,526,338		1,589,264	2,886,408		14,167,117	
Commerce†	106,795,860	151,035,203	8,243,202	29,320,450	13,656,475	8,633,512	12,035,964	235,227,737	19,219,183
Royal	226,428,136	168,860,347	7,760,030	16,685,070	30,241,092	5,913,424	16,336,071	227,299,808	81,982,805
Dominion	27,185,703	19,560,092	1,545,435	445,000	1,773,097	1,466,060	2,567,941	75,604,680	519,686
Nationale	34,240,748	22,637,967	14,685,071	12,388	3,938,213	3,215,940	....	52,286,914	....
Imperial	36,978,819	41,070,218	6,113,017	....	47,117	2,864,388	....	78,873,633	....
Barclays (Can.)	4,400,311	7,355,598	1,000	25,000	....	179,625	....	3,902,624	....
Total	792,655,363	723,274,221	79,186,134	75,159,966	88,953,409	31,860,588	47,646,830	1,083,701,002	136,210,337

NAME OF BANK	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	4,721,500	27,907,240	702,474	431,743	480,994	13,900,000	1,015,765	1,651,367	1,065,676,418
Nova Scotia	1,461,603	2,099,287	381,006	....	83,103	5,872,854	427,705	2,304,486	380,393,283
Toronto	....	2,545,912	56,534	....	8,677	3,190,930	175,559	....	183,327,577
Provinciale	9,810	2,055,349	74,425	426,084	277,496	2,064,773	129,912	123,41[illegible]	62,513,121
Commerce†	5,702,377	10,833,257	1,241,701	2,264,983	965,032	13,958,787	852,000	4,526,[illegible]	778,391,985
Royal	1,698,616	14,830,131	1,575,062	1,750,332	670,841	14,214,602	1,200,000	3,803,108	1,081,321,938
Dominion	729,698	368,160	146,218	24,144	35,997	5,389,754	219,170	202,623	173,794,382
Nationale	326,601	6,290,433	171,152	1,541,939	638,887	4,756,966	215,611	183,811	171,910,487
Imperial	386,136	3,596,698	243,048	50,713	220,874	5,597,078	232,034	....	212,916,155
Barclays (Can.)	....	....	5,007	....	....	442,411	33,751	....	25,854,668
Total	15,036,341	70,526,467	4,596,594	6,489,938	3,381,901	69,388,155	4,491,508	12,774,883	4,136,600,231

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $123,512,114 letters of credit outstanding as shown in liabilities.

Demands National Fund to Speed Prospecting

Need Is Pressing, Says G. C. Monture, Assistant Metals Controller

Highlight of the annual banquet of the Ontario Prospectors and Developers' Association was a speech by G. C. Monture, Technical Assistant to the Metals Controller—a speech in which the dire need for greater production of strategic minerals was stressed. Among the points made by Mr. Monture were:

1. Canada and the United States have together nothing like the needed sources of strategic alloys metals required in modern warfare.
2. That "high grading" of present ore bodies is sought as the quickest means to secure a greater metals output.
3. With a doubling of aluminum production between September, 1940, and September, 1941, aluminum is now regarded as the most important of common non-ferrous metals.
4. Re-estimates of German metal productive resources drive home the necessity of marshalling our own metal resources behind the war, cutting off domestic consumption.

Mr. Monture said "the time has come when you and I as free men, who want to remain free, have got to quit leaning on the government." To finance increased prospecting activity, he suggested $5,000 to $10,000 might be provided by each of 100 dividend-paying mining companies for a new metal search; that a quarter of a million dollars, so provided, would keep a lot of prospectors in the field.

"Let me briefly run through, in the Battle of Metals, the primary things that are used in this all-and-out war," said Mr. Monture. "Primarily important, of course, comes iron and steel. You all know the uses of it. You all know the uses of the new civilian life and all-out war is only the tempo of your civilian life multiplied 100-fold or more.

Steel Needs Alloy Elements

"But your iron and steel by itself in this day of modern warfare is, after all, a very poor metal. To bring that steel up to its high efficiency and full use, we make what we call alloy elements, and those elements are probably familiar to most of you.

"Manganese is of primary importance; without manganese you cannot make steel, and in every ton of steel that is made 17 pounds of manganese goes in as a deoxidizer and scavenger to purify the iron. To give high resistance to abrasion to impact and shock, we use manganese, chromium, titanium, vanadium, molybdenum and several other of these rare minerals.

North America Short

"Now the strange part of it is that on the North American continent we boasted for years of our great mineral wealth and yet none of these metals that I have mentioned occur on the North American continent—or at least we have not found them yet—in anything like the quantities required to carry on modern warfare. We are forced therefore to bring them from other countries—

"Manganese — From Africa, Brazil, the Philippines, the Celebes, Turkey and other places.

"Chromium—From Africa, the Philippines, New Caledonia, Cuba.

"Tungsten — Out of China, Burma, India, down the Burma Road, out across the Pacific.

"Vanadium—From South America.

Spread Shipping Thinner

"I mention this to point out to you the seriousness of the situation. All that involves shipping. Our already thin line of shipping, decimated, destroyed by the ruthless submarine campaign of the enemy, must be spread still thinner and still thinner if we are going to wage war into the Pacific.

"The time has come when you and I as free men, who want to remain free, must come to and realize that we have got a job on our hands and quit playing around with the idea that you can wage war with gloves. So much for a lecture.

"Critical minerals are those which, if watched carefully and rationed and looked after, are perhaps in sufficient quantities to enable us to fight a war, but not in sufficient quantity to enable us to keep our civilian population in the style to which they have been accustomed.

"The situation with respect to all metals today is critical. I wish I could give you figures on these things. But after all there are figures and figures, some have more meaning than others, and any figures that I might give you now regarding our needs for these metals have reached astronomical quantities, and I am afraid would not mean a great deal to you.

Bauxite a Worry

"Let us now turn from those I call the ferro-alloys of which we are desperately short on the North American continent and incidentally in England too. Let us turn to the more common ones, the ones you are familiar with.

"First on the list of primary ones I would put aluminum. Not to the best of our knowledge is there any bauxite in Canada, the ore from which aluminum is made, not in commercial quantities anyway. There is some found in Georgia and in the Southern States, but one year ago when the aluminum programme of the United States was only approximately one quarter of what it is now, they estimated that the reserves of bauxite would last them only a couple of years. Therefore all our bauxite must come up from British Guiana, shipped down the St. Lawrence, turned into aluminum metal. Another shipping problem.

Greenland Important

"Coupled with that of aluminum production is the problem of the flux ore cryolite, found in no other place in the world but Greenland. True, cryolite can be made artificially but that needs the use of fluorspar, of which we are desperately short in Canada and the United States, and also means the use of manganese and manganese alloy.

"Now there is the situation on aluminum. Thank God, our shipping lanes are still open. Bauxite and cryolite are still coming in and Canada produced in the month of September, 1941, twice what she produced in September, 1940.

"When we first put the ban on aluminum, I was amazed at the part aluminum was playing in our economic life. Everything you could possibly think of employed aluminum. Today we are very rigorously rationing it out, almost pound for pound, in order to meet the increased demands of Britain and the United States.

"Magnesium is not produced in Canada but a plant is coming into production next summer which will take care of our needs, but nothing like the needs that are required by the allied powers.

Not Enough for War Needs

"As to copper, when we first started to ration copper and zinc, manufacturers came to us and said, 'What is the idea? We produce more copper than we ever will use, even if we stepped up our war production 100 per cent.' The simple facts of the case are this, there is not enough copper, there is not enough zinc, there is not enough nickel being produced to take care of our war demands. You are all aware that between the discovery of a deposit and the metal as it is used either in civilian life or warfare, there is a long gap, not only of time, but a gap involving millions upon millions of dollars—first, for development of your mine, to get your ore out, and secondly, to your refineries and smelters to give you clear, refined metals.

Equipment the Bottleneck

"It is not so much a question of dollars because in the final analysis, dollars will mean nothing to us if we lose; but it is the tremendous capit~l equipment that is necessary, the tooling up, building of these great reverberatory furnaces, these great blast furnaces, when already every piece of tooling is being used to turn out munitions of war. A priority rating came through the other day where they wanted some steel shims from the United States at $2.60. I venture to say there was $2.70 worth of paper used getting out that priority rating. That is the situation that confronts us with respect to the base metals.

Must Cut Off Civilians

"It then follows that if we are to obtain this metal quickly and in time to save us, that it can come from one place only, and that is from civilian consumption. The civilian must begin to realize that if we are to win the war, he must punch holes in his belt back to his spine and be prepared to draw it up to the last hole.

"In mercury, thank God, we are supplying enough for our own needs. Although our needs increased tremendously during the war we have a comfortable little surplus to help our American and British friends out.

"Antimonium is in the same picture.

"Cadmium is also in the same picture, although we must ration cadmium.

Germany Strong in Metals

"Let us take a look at Germany's position.

"Prior to the war 60% of the world's zinc refining capacity was in the Lowlands or Poland. With the loss of the Lowlands, Poland and its great zinc refining capacity also went the great steel works of Skoda in Czecho-Slovakia, the highly industrialized areas of Alsace and Lorraine, France's tremendous deposits of bauxite. Yugoslavia and Greece are under German command today. Norway, like ourselves, a highly electrified country, makes ferro-alloys in the electric furnace, the ferro-molybdenum and the ferro-silica. The silicose for making it went into the hands of the Germans. I could go on and name others.

Stock Piles Impress

"In addition Germany built up tremendous stock piles. Sometimes I am amazed at what amounts to stupidity on the part of anybody who examined the imports of Germany's metals in the years prior to the war and put alongside of it her domestic consumption. Why could we not realize that she wasn't storing up things to play ping pong?

"Manganese — When Germany went into the Ukraine she virtually took 27% of the world's reserves of manganese ore. Those are still in her hands.

"Molybdenum out of Norway.

"Nickel out of Finland.

Nazis Get Copper

"Copper out of Morocco, through Vichy France. In addition to the tremendous stocks that she seized when she overran this country—and this is not ore that has to be patiently dug from the mine and refined but metal ready for the taking, ready for the melting pot, ready for the guns and ships.

"Tungsten out of Portugal. Germany has bid up to $22,000 a ton for tungsten ore.

"Those are the facts of why Germany has not starved in this battle of metals.

"And let me raise the point of tin: 95% of the tin we use came out of the Straits Settlements. The loss of Penang, aside from being a naval base, was much more than that, because Penang is a great tin centre. If Britain tore up the tin dredges and the tin smelter that is a loss that would not be replaced for years. We are faced with this situation: If the war were to end within the next six months, you could look forward to anywhere from 18 to 24 months before normal tin supplies are again on the market.

Tin Restrictions on Way

"Now you know quite apart from the importance of tin in food preserving, it is essential in the babbitts and bearing metals for our mechanized units and for our transportation, etc.; it is used in gun metals and bronzes for our gun mounts, etc. Restrictions are coming on tin which will be very vigorous and will increase as the days go by.

"To supply the tremendous amount of metal required, we will be forced not only to pull ore bodies more rapidly but we will be forced to go into the richer parts of the ore bodies so that the ore that we feed to our smelters will be richer in the output of metal. In other words we may have in the parlance of the mine owners, to gouge the eyes out of some of our ore bodies.

Urge Prospecting Step-up

"Therefore to the prospectors I would say this: Carry on your search relentlessly for all types of minerals. If we can't use them today we can use them after the war to rehabilitate and begin a normal way of life again.

"Again, the time has come when we must cease to lean too heavily on the government. I think when I look at the list of some 100 mine dividend payers that if each mine gave $5,000 or $10,000 and set it up as a prospecting fund, under this association, you would be making a worthwhile contribution not only perhaps for the immediate issue of the war but for the days that come after.

"God knows this war is not at our bidding, unless you can say stupidity causes wars. But the war is on us. A challenge has been flung at us. We have been accused of growing soft—that we can't take it. We have shown that we can take it. Let us show that we can give it."

Mining Concentrates

Cariboo Gold Quartz Mining Co. reports an increase in production for January:

Month:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1942	10,918	352	15.75	171,980
Dec., 1941	10,847	350	12.56	136,213

* * *

Dome Mines production was narrowly lower in January:

Month:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1942	53,800	1,735	11.71	630,099
Dec., 1941	51,800	1,671	12.17	630,274

* * *

Fleming Mines, holding 2,000 acres in the Siscoe-Pascalis district, adjoining Golden Manitou Mines has sent in a crew to check previous results. Four zones were stated to have been previously outlined containing some gold values and up to 3% in copper.

* * *

Gold Frontier Mines has intersected a width of 2.7 ft. in a drill hole running 2.3 oz. gold, it is reported. Drill hole was sited 100 ft. west of the shaft and made the intersection at vertical depth of 80 ft.

* * *

Gold Belt Mining Co. production was a few dollars less in January:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December	5,174	167	11.22	58,041
November	4,853	162	11.98	58,150

* * *

Hollinger Consolidated was the subject of a 7,000-share transaction on the Toronto Stock Exchange last week. The deal was apparently a negotiated sale as one brokerage house handled both sides of the deal. Commissions for the brokerage firm would be in the neighborhood of $1,800. Transaction took place at $9.25 a share.

* * *

Hallnor Mines has declared a dividend of 10 cents a share payable Mar. 3, 1942, to record Feb. 14.

* * *

Hughes Malartic Syndicate is carrying out a magnetic survey on its property in the Malartic area.

* * *

Malartic may have an important new north break, recent diamond drilling results on the property of Marbenor Malartic suggest. Fact that structure is stated to be identical to that of the south is also stated to suggest the possibility of a folding of the formation.

* * *

Mercury prices have been fixed in the United States at $191 to $193 a flask (United States funds), slightly below the recent price on the Pacific coast of about $198 a flask. Past price increases have brought substantial increase in American production. The Pinchi Lake mercury deposit of Consolidated Smelters is supplying not only Canada's requirements but a large part of the rest of the British Empire.

* * *

McWatters Gold Mines realized operating profit of $14,261 the three months ended Dec. 31, 1941, contrasted with a $4,154 operating loss the preceding three months. Production the December quarter was $82,591 from 9,304 tons of ore milled, an average recovery of $8,87 a ton. Total recovery was $66,670 from 10,559 tons of ore and average recovery was $6.31 a ton the preceding three months. Operating profit was $1.53 a ton the latest quarter.

* * *

Pioneer Gold Mines of B. C. reports slightly lower production last quarter of 1941:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/41	32,155	350	15.01	482,642
Sept. 30/41	29,358	319	17.61	517,000

* * *

Paymaster Consolidated Mines reports a slight decline in production in January:

Month:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1942	18,500	597	8.22	152,156
Dec., 1941	17,703	571	8.75	154,987

* * *

Ross Mine, wholly-owned by Hollinger Consolidated, experienced a slightly higher recovery the last quarter of 1941:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/41	23,009	250	10.43	240,011
Sept. 30/41	23,565	256	9.80	230,940

* * *

Thompson-Lundmark Gold Mines realized an operating profit of $165,181 between commencement of milling on Aug. 19, 1941, and Dec. 31, 1941. Production for the period was $317,367 from 11,915 tons of ore milled, an average recovery of $26.64 a ton. Ore reserves at Jan. 1, 1942, were 63,639 tons averaging 0.59 oz. gold per ton of which 48,801 tons grading 0.65 oz. were in the Fraser vein and 14,838 tons of 0.39 oz. grade were in the Kim vein. The Kim shaft and workings have been prepared for further sinking and underground development. It is intended to commence these operations immediately.

* * *

Vincent Malartic Prospecting Syndicate has been formed to acquire a 700-acre property in Dubuisson twp., from Rocdor Mines. Property is northeast of the Dubuisson Gold Fields diamond drill exploration programme.

Lamaque Profit Stands Fast

Earnings were maintained at Lamaque Gold Mines the latter part of 1941 with net of $585,589 or 19.5 cents a share for the four months ended Dec. 31, 1941, compared with $443,714 or 14.8 cents a share the preceding three months.

While monthly footage of ore showed a slight decline from the previous quarter, ore reserves were higher in tonnage and average grade.

Near Million Tons

At Dec. 31, 1941, reserves totalled 951,005 tons of 5.76 dwt. average grade against 927,777 tons of 5.68 dwt. grade the end of August. A pennyweight equals $1.75 at $35 gold.

Production in the four months ended Dec. 31, 1941, totalled $1,718,441 from 149,954 tons of ore, an average of $11.46 a ton. Preceding three months, recovery was $1,308,582 from 112,640 tons of ore, average of $11.86 per ton.

Earnings for the year ended Dec. 31, 1941, are indicated at around 53 cents a share.

PROFESSIONAL DIRECTORY

LEGAL

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Pitblado, Hoskin, Turner, McEwen & Alsaker
Barristers, Solicitors, &c.
Winnipeg, Manitoba

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. DANA H. PORTER
BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON."
TORONTO CANADA

ITS ABILITY to get the news and interpret it accurately is what leads wise investors to subscribe to The Post. $5 a year.

CONSULTING ENGINEERS

THE GENERAL ENGINEERING COMPANY
(CANADA) LIMITED
ENGINEERING CONSTRUCTION
OPERATION OF INDUSTRIAL PLANTS
100 Adelaide St. West WA. 8605 Toronto

Shoemaker & Burnham
CONSULTING ENGINEERS
Specializing in Mill Design, Metallurgy, Power and Mining Plants.
Room 1201-1207
45 Richmond St. West,
Toronto, Ont.
Waverley 4466

DEPENDABILITY
Its ability to get the news and interpret it accurately is what leads wise investors in Canadian securities to rely each week on
THE FINANCIAL POST
$5 One Year — $2.50 Half Year

CHARTERED ACCOUNTANTS

MILLAR, MACDONALD & CO.
Chartered Accountants
WINNIPEG, MANITOBA

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

KEEPING POSTED
by reading The Post every week is the secret of success for successful readers of The Post. Every week, by mail, $5 a year.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
D. J. Sales, C. A. W. F. Gibson, C.A.
TORONTO—MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

CHARTRE, SAMSON & CO.
Chartered Accountants, Licensed Trustees and Receivers
Successors to
LaRue & Trudel and Samson, Knight & Co.
MONTREAL QUEBEC ROUYN

Marching Ahead

Insurance in force
increased during 1941 by........................ $ 2,492,650
Northern's Total Business
in Force now.. 54,473,360

Balance Sheet
for year ending December 31, 1941

ASSETS
Dominion Government Bonds.................. $ 2,310,735.62
Other Bonds.................................... 2,474,835.26
Mortgages, Agreements of Sale and
Real Estate.................................... 4,614,883.28
Stocks (Common and Preferred).......... 587,003.00
Policy Loans, Cash and Other Assets.... 2,257,449.12
$12,244,906.28

LIABILITIES
Policy and Other Reserves.................. $11,584,606.84
Investment Reserve........................... 206,679.04
Capital Stock.................................. 250,000.00
Unallotted Surplus............................ 203,620.40
$12,244,906.28

Stronger Than Ever

142
Northern Life
Assurance Company of Canada
R. G. IVEY, K.C., President G. W. GEDDES, General Manager
Established 1897 Home Office: London, Canada

MORDEN, HELWIG, FERRIE LIMITED
Insurance Adjusters
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

CHEMISTRY HELPS TO WIN THE WAR

Canadian Pig + Canadian Salt
= British Breakfast

SIX HUNDRED MILLION pounds of bacon—that's what Britain expects Canada to deliver this year — far beyond the pre-war figure.

Bacon can't be made without Salt. Cheese, butter, fish, canned goods — all likewise call for salt. In these days perishable foods are "out" — it's preserved food for the forces and for civilians too.

And food preservation calls for Salt — tons and tons of it!

In other vital ways, too, Salt serves our war effort. It is essential in the production and processing of vital war-time supplies and equipment — in metal refineries, rolling mills, textile plants, canneries, chemical works.

The C-I-L Salt plant at Windsor, Ontario, is Canada's greatest producer of Salt. From Windsor, in cars and cargoes, tons of Salt pour steadily into service in Canada's vast war effort.

Salt is one of many C-I-L products of Industrial Chemistry which are aiding Canada's war effort.

C-I-L

CANADIAN INDUSTRIES LIMITED

PA 198

War Against Men's Minds

(Continued from page 11)

do much with and is best put into a special company with others like him where he won't endanger the community spirit of the army.

"Eccentrics" are weeded out by the experts "since it is not the number of soldiers, but the quality of human material that is decisive in modern armies."

For what they call the positive type of clumsiness an "Ersatz-affection" is recommended on the view that usually a good soldier can be groomed.

For the "negative clumsy" weeding out at once is urged.

"Germs of destruction" is the imposing title given recluses and individualists in the army. Some of these, the Nazis claim, can be reclaimed for the army by kindness and special tasks.

On the handling of cowardice, officers are given special training in detecting it and eliminating it or the man it possesses.

Two points the Nazi army regulations wilfully omit: formulae for dealing with "desertion" and "defeat." The theory is that neither ever happens, provided all the other recommendations have been followed. In religion the army has a more affirmative attitude than the Nazi party. The army has succeeded in overcoming the party's opposition to religion, and chaplains are again functioning on both the front and in garrisons. They are considered to be important morale- building agents, particularly needed in bolstering "fighting spirit" for actual combat.

The Nazi conception of morale is that "the final word regarding victory and defeat rests not on arms and equipment nor the way in which they are used, nor even on the principles of strategy and tactics, but on the morale of the troops." The promotion of mass morale is carried out throughout the entire population, contrasting with the army's individual psychological approach.

Typical of the spirit generated by the army is that it has no guard-houses. This is on the consideration that if a soldier commits a crime, he has no right to remain a soldier. "The keynote of German military morale is, first, the privilege inherent in being selected a soldier and thus permitted to join the sacred fellowship of military men, and, second, personal pride derived from a feeling of superiority by having achieved military training.

"Education and indoctrination strive to mold 'men with never-failing nerves' automatically decreasing their susceptibility to fear and doubt. Habituation to danger includes extended night drills (one third of all German drills are held at night, a system copied from the Soviet Union), and prolonged manoeuvres in thickly wooded country and in terrain where vision is obstructed. . . . Before this war, the Germans conducted large-scale experiments of artificial panics among soldiers, civilians, and school-children. The lessons derived from these experiments were utilized in making German troops as panic-proof as possible, and in generating panic among the enemy."

ANNIVERSARY

Alex Hurry, manager for Canada of the Northern Assurance and associated companies, this year completes 40 years service with the Northern. He has been Canadian manager for 20 years. The Northern, which was founded at Aberdeen, Scotland, in 1836, has been operating in Canada since 1867.

Company Reports

Maritime Tel. & Tel.

Reflecting record activity in all **departments, Maritime** Telegraph **& Telephone Co.** operating income in **1941 at $2.7** millions established an **all-time** record and compared with **profit** on the common stock was **$2.3** millions the year before. Net equal to 93 cents a share, 86 cents the year before. Net working capital increased from $203,437 to just over $1 million.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. revenue	2,709,631	2,322,655
Less: Oper. expenses	1,478,435	1,304,818
Taxes	560,055	397,760
Add: Other income	4,996	4,074
Net revenue	676,136	624,151
Less: Fixed charges	188,750	170,000
Other interest	1,020	5,020
Bond discount	11,499	11,949
Net profit	474,866	437,182
Less: Pfd. dividend	105,000	{411,940
Com. dividend	315,251	
Surplus	54,615	25,242
Add: Prev. surplus	176,252	151,011
Surplus forward	230,867	176,253

Working Capital

	$	$
Current assets	1,735,189	730,408
Current liabilities	724,753	526,971
Working capital	1,010,436	203,437

Balance Sheet Highlights

	1941 $	1940 $
Cash	937,464	205,376
Govt. bonds	120,725	......
Accts. receivable	314,854	289,383
Common stocks	3,978,210	3,853,120
Bonded debt	4,500,000	3,500,000
Plant account	12,160,351	11,299,237

Detroit International

Despite wartime travel restrictions 1941 traffic volume for Detroit International Bridge Co. was 14.92% ahead of 1940. During the year the company increased the average rate of fare, this resulting in an average toll of 46.5 cents in 1941 against 35.2 cents in 1940.

Commercial trucking business continues to increase in volume despite war restrictions on the movement of many commodities over the border. Number of trucks crossing the Bridge in 1941 was 3.3% greater than in 1940 with a revenue increase of 44.2% due to the increased rates and also to the fact that heavier loads were carried.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross toll revenues	417,189	275,519
Less: Oper. exps.	91,935	88,386
Admin. exps.	48,101	51,072
Taxes	99,122	103,206
Operating profit	178,031	32,854
Add: Other income	3,062	4,160
Less: Loss for'n. exch.	10,618	703
Depreciation	1,111	1,495
Replacements	20,000	20,000
Net profit	149,364	14,817
Less: Dividend	49,812	......
Surplus for year	99,552	14,817
Add: Prev. surplus	93,817	79,000
Less: Treas. stk. at cost	32,362	......
Surplus forward	161,007	93,817

Working Capital

	1941 $	1940 $
Current assets	495,983	373,149
Current liabilities	122,941	71,752
Working capital	373,042	301,397

Quebec Power

Quebec Power Co.'s gross revenue in 1941 was the highest ever reported. Net profit at $577,672 was $1.04 a share, against $523,140, or 95 cents a share in 1940.

Net working capital end of last year was $621,920, against $582,166 end of the previous year. During 1941 funded debt was reduced by $127,500, while advances to Quebec Railway were reduced from $307,275 to $206,016. Liquid position improved, while property and plant account shows an increase of $20.7 millions.

Comparative figures on the revenue and surplus statements for 1941 and 1940 follow:

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross revenue	3,766,421	3,519,366
Less: Oper. expenses	1,675,200	1,375,318
Taxes, general	154,779	205,834
Net revenue	1,936,442	1,938,214
Less: Bond interest	496,770	502,074
Depreciation	450,000	450,000
Income taxes	412,000	463,000
Net profit	577,672	523,140
Less: Dividends	553,198	553,198
Surplus for year	24,474	*30,058
Add: Prev. surplus	258,466	‡288,524
Surplus forward	282,940	258,466
*Deficit. ‡Adjusted.		
Earned per Share	$1.04	$0.95

Working Capital

	1941 $	1940 $
Current assets	1,763,281	1,588,406
Current liabilities	1,121,361	1,006,240
Working capital	641,920	582,166

Quebec R. L. & P. Co.

Quebec Railway, Light and Power Co., wholly owned subsidiary of Quebec Power Co., reports gross revenue in 1941 of $1.8 million against $1.5 million the year before. Net operating revenue at $259,870 was transferred to depreciation reserve, contrasting with $129,015 the year before.

Balance sheet end of 1941 shows few major changes. Advances from Quebec Power Co. were reduced from $307,275 to $206,016, while working capital showed a minor increase.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross revenue	1,804,160	1,527,129
Less: Oper. expenses	1,439,126	1,306,438
Taxes	48,653	43,645
Paid to city	56,512	48,031
Oper. revenue	259,870	129,015
Less: Depreciation	259,870	129,015
Surplus	......	......
Previous deficit	104,862	105,833

Working Capital

	$	$
Current assets	182,421	204,051
Current liabilities	102,989	126,729
Working capital	79,432	77,322

Asbestos Corp.

Asbestos Corporation Ltd. reports gross income in 1941 of nearly $1.7 million, or about $60,000 more than the year before. After provision for increased taxes and depreciation reserve, net profits of $746,880 were equivalent to $1.24 a share on the common stock. ($724,853 or $1.21 a share in 1940).

Net working capital was just under $2.9 millions, an increase of over $450,000 compared with that reported in 1940.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	1,691,437	1,639,232
Less: Exec. salaries	56,350	59,666
Legal fees	1,193	1,133
Directors' fees	8,080	8,500
Depreciation	405,516	328,891
Pension fund	18,417	......
Tax provision	455,000	235,000
W/o accounts	......	281,186
Net profit	746,880	724,853
Less: Dividends	720,000	720,000
Surplus for year	26,880	4,853
Add: Prev. surplus	568,403	563,550
Surplus forward	595,284	568,403

Working Capital

	$	$
Current assets	3,590,721	2,870,565
Current liabilities	695,856	442,986
Working capital	2,894,865	2,427,579

Balance Sheet Changes

	1941 $	1940 $
Govt. bonds	1,393,000	850,000
Treasury bills	649,843	499,848
Inventory	936,983	1,140,995
Accts. receivable	513,027	202,588

Montreal Power

Montreal Light, Heat & Power Cons. gross income in 1941 was $31.1 millions, the largest yearly income on record and compares with $28.1 millions in 1940. Because of an increase of $1.2 million in taxes, and over $1.2 million in depreciation, net revenue of $8.4 millions was only $500,000 above that reported in 1940. Earnings on capital stock were $1.88 a share, against $1.77 in 1940.

Consolidated balance sheet shows increase in fixed assets of nearly $5 millions to $229.3 millions. Funded debt declined $1 million.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Electric revenue:		
Domestic	4,543,253	4,354,784
Commercial	5,376,431	5,001,796
Industrial	8,470,473	7,330,636
Wholesale	2,346,804	2,123,199
Export	1,409,438	1,326,630
Secondary power	1,473,349	700,518
Municipal:		
Aqueduct	378,318	378,950
Street lighting	623,188	619,631
Gas revenue:		
Domestic	3,680,536	3,633,326
Industrial	1,277,295	1,163,728
Other oper. rev.	453,994	451,668
Total revenue	30,033,079	27,084,867
Less: Oper. expenses	7,926,201	7,758,999
Taxes	7,117,818	5,925,738
Fixed charges	3,128,011	3,287,374
Depreciation	4,494,940	3,233,279
Net revenue	7,366,110	6,879,477
Add: Non-oper. rev.	1,085,521	1,067,557
Net income	8,451,631	7,947,034
Less: Dividends	6,733,550	6,733,595
Surplus for year	1,718,081	1,213,439
Less appropriations:		
Pension fund	20,000	20,000
Extra depreciation	750,000	750,000
Insur. & conting. res.	500,000	......
Balance to surplus	448,081	443,439

Working Capital

	1941 $	1940 $
Current assets	16,192,871	15,237,613
Current liabilities	11,624,592	10,443,516
Working capital	4,568,279	4,794,097

T. Eaton Co. Life

The annual report of the T. Eaton Life Insurance Co. for 1941 shows:

A gain of 23% in new insurance written.

An increase in business in force.

Higher total income.

Expansion in total assets.

New insurance during the year amounted to $3.3 millions compared with $2.7 millions in 1940. The gain in insurance in force was $2 millions or almost 6%, bringing the total figures to $35.8 millions at the end of 1941.

A rise in total income was derived from an increase in revenue from interest and dividends. Total assets were up over 7% to $10.4 millions.

	1941 $	1940 $
New insurance	3,350,000	2,713,000
Ins. in force	35,868,000	33,885,000
Policy payments	519,300	487,150
Total income	1,452,930	1,446,600
Premiums	1,049,900	1,079,800
Interest, etc.	403,030	366,800
Policy reserves	8,260,500	7,653,700
Total assets	10,492,700	9,713,600

Mutual Life

Highlights of the annual report of the Mutual Life Assurance Co. of Canada for 1941 include:

An increase in new insurance issued.

Business in force up $23 millions.

Total assets of $207 millions.

A rate of 4.59% earned on investments.

New insurance issued during the year at $54 millions was about $8.5 millions higher than in the previous year. Insurance in force at Dec. 31 at $609 millions compared with $586 millions in the year preceding.

Income from all sources was $944,986 higher, the increase being due to increased premium income and larger receipts from interest, dividends and rents.

Total payments under policies were lower, the decline being due to reduction in disbursements for matured endowments and cash surrender values.

An increase of $10.8 millions in total assets compared with a gain under this head of $8.9 millions in the year preceding. The main increases were $11.9 millions in bonds and $1.2 million in mortgages and sale agreements. Preferred and common stocks represented 4.40% of total assets compared with 4.54% at the close of 1940. As with most other companies, policy loans were lower.

The rate of interest earned on invested assets was 4.59% against 4.61% in the previous year. The ratio of expense to total income was reported by W. H. Somerville, general manager, at 12.79%, slightly under the 13% shown for the previous year.

Gross surplus earnings of the company at $4.6 millions were $69,875 larger than a year ago.

	1941 $	1940 $
New assurance	54,107,966	45,615,058
Bus. in force	609,364,194	586,019,392
Total receipts	32,023,302	31,078,316
Premiums	17,198,861	17,030,525
Int., divds., etc.	8,823,987	8,420,293
Policy payments	13,882,052	14,690,556
Death & disability	4,594,770	4,443,110
Matured endows. & surrenders	5,763,976	6,940,517
Surplus earnings	4,673,459	4,603,568
Surplus forward	10,160,133	9,458,460
Policy reserves	160,517,576	153,107,004
Total assets	207,462,474	196,605,417

Sterling Trusts

Sterling Trust Corp. 1941 net earnings at $43,663 were the highest since 1931. Increase of $2,400 in taxes, however, cut net profits back to 1940's $3.29 a share on paid-up capital.

Guaranteed trust funds at close to $2.4 millions are up $163,000 on the year to a new peak. Government and municipal bond holdings are $403,554 against $291,723, reflecting Victory Loan participation. Estates under management at $5.5 millions are down $224,000 from last year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	43,663	41,247
Less: Depreciation	2,333	2,333
Taxes	14,919	12,551
Net profit	26,381	26,363
Less: Dividends	24,096	24,083
Retirement fund	1,000	1,000
Surplus for year	1,285	1,280
Add: Prev. surplus	28,440	27,160
Surplus forward	29,755	28,440
Earnings per Share	$3.29	$3.29
Paid	3.00	3.00

Liabilities to Public
As at Dec. 31

	1941 $	1940 $
Guar. trust certificates	1,986,468	1,920,644
Deposits	403,913	306,240
	2,390,381	2,226,884
Secured by:		
Liquid assets	499,059	376,472
Mortgages & int.	1,891,322	1,850,412
Other net assets*	883,056	881,241
	3,273,437	3,108,125
Estates, etc.	5,506,202	5,730,530

*Consisting of capital account liquid and other assets, less current liabilities.

Consolidated Fire

Net premium written by the Consolidated Fire & Casualty Insurance Co. in all classes of insurance in 1941 amounted to $325,007, according to Herbert Begg, president and managing director. This was an increase of about $30,000 over 1940, probably partly due to writing mercantile risks on a three year term. Net losses were about the same as a year ago. After providing for taxes of $26,302 and all other reserves, $29,013 has been transferred to surplus account which now stands at $129,475. Total assets amount to $605,298.

The directors authorized the purchase of $50,000 of the second Victory Loan.

	1941 $	1940 $
Net prems written	325,007	295,602
Net losses	124,325	125,437
Total assets	605,298	554,702

Premier Trust

Tripling of taxes to $30,000 brought Premier Trust Co. 1941 profit down to $45,339 or 3.68% on paid-up capital as compared with 5.13% in 1940.

Thos. B. Holmes, general manager, reports that the new office building in Toronto was practically fully rented during the entire year with satisfactory results.

Guaranteed trust account mortgages held are down about $150,000 on the year while bond holdings are up $120,000. Drop of $2.1 millions in estates, trusts and agencies is accounted for by the deletion from this account of an amount which arose from bond trusteeships along with estates closed out during the year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross revenue	199,421	188,280
Net earnings	75,339	73,201
Less: Taxes	30,000	10,000
Net profit	45,339	63,201
Less: Dividends	36,940	49,308
Surplus on year	8,399	13,893
Add: Prev. surplus	4,106	2,143
Tfr. from inv. res.	10,000	*5,000
Prem. sale cap. stk.	......	70
Less: W/o off. prem.	14,000	7,000
W/o other assets	5,000	......
Surplus forward	3,506	4,106
*Transfer to invest. reserve in 1940.		
Earnings per Share	3.68%	4.13%
Paid	3.00%	4.00%

Liabilities to Public
As at Dec. 31

	1941 $	1940 $
Invest. certs. & debs.	1,609,535	1,584,549
Deposits	1,293,313	1,325,397
	2,902,848	2,909,946
Secured by:		
Liquid assets	1,220,926	1,077,387
Mortgages & int.	1,681,922	1,832,559
Other net assets	1,360,744	1,371,207
	4,263,592	4,273,541
Estates, etc.	*7,966,116	10,180,512

*After deletion of amount arising from bond trusteeship.

Northern Life

Important features of the annual statement of the Northern Life Assurance Co. of London, Canada for 1941 are:

The largest gain in business in force in the last decade.

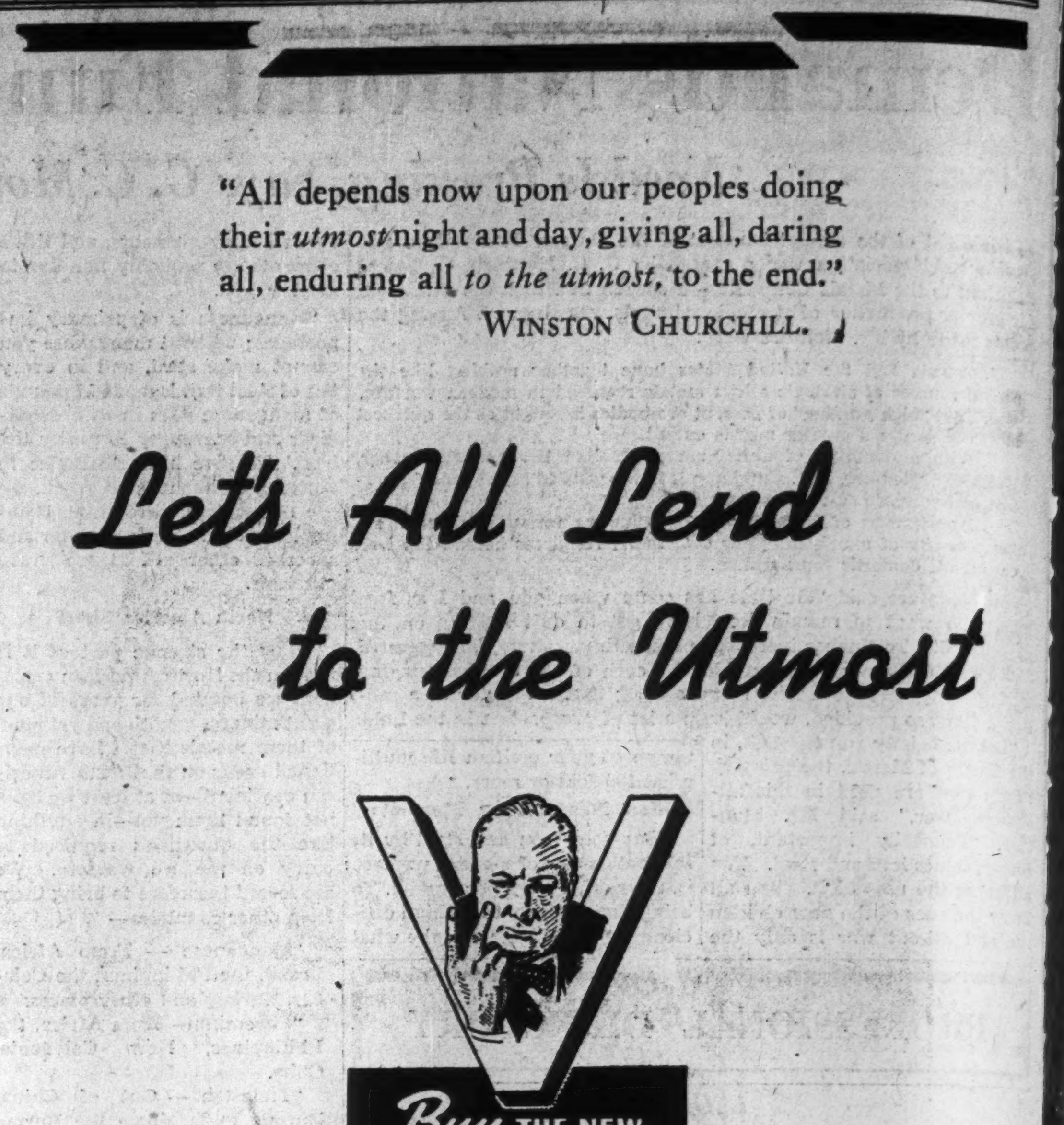
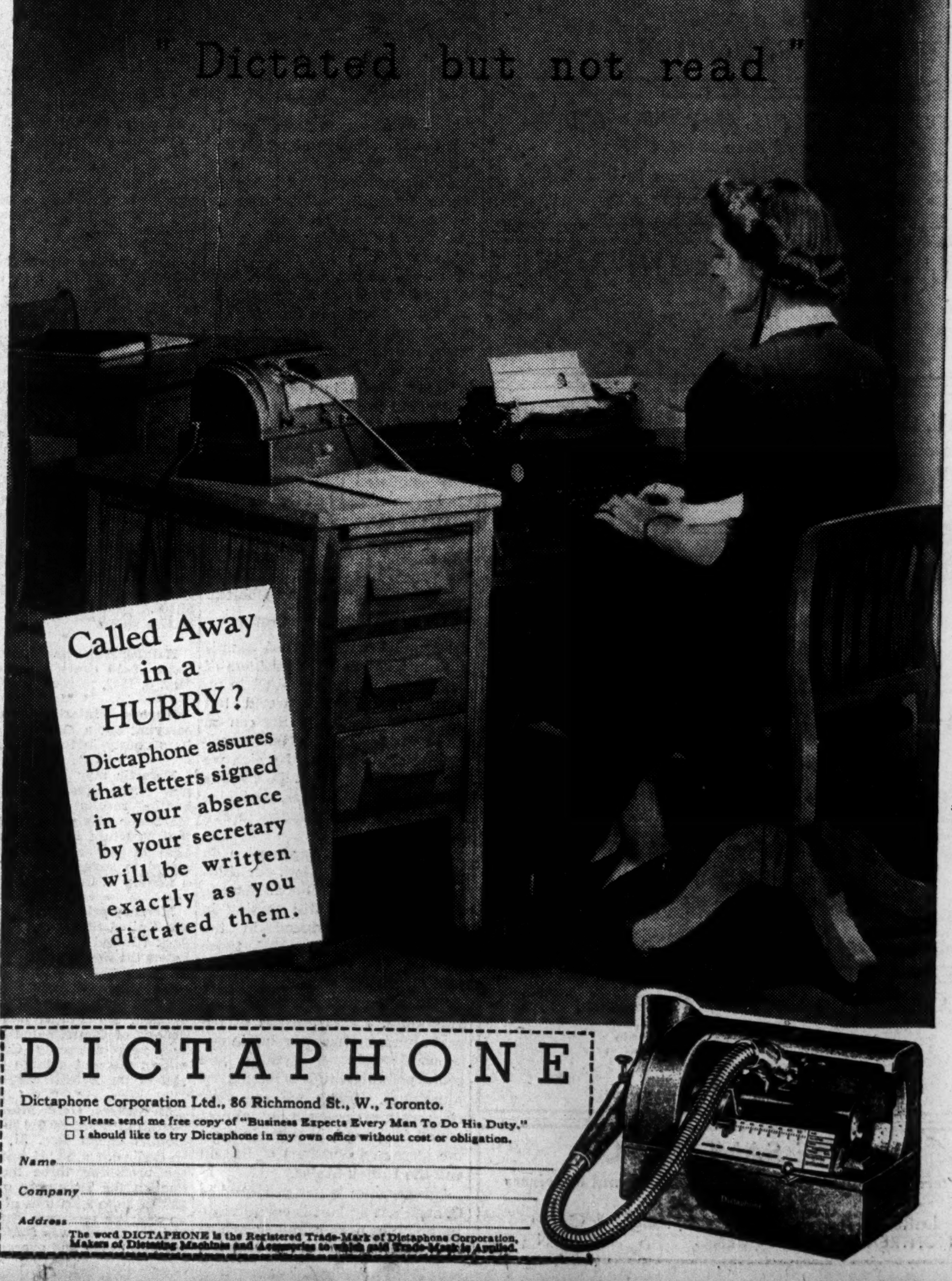
An increase of $530,730 in total assets.

Expansion in total income.

New insurance written in 1941 totalled $6.4 millions compared with $6.3 millions in 1940. Excluding single premium and group annuities, business in force gained over $2.4 millions to $54.4 millions.

Total income including premiums, interest and dividends rose $126,000 to $2.1 millions.

Of total disbursements of $1.4 millions, $619,780 was to living policyholders. "Contrary to the present trend among Canadian companies," the directors' report states, "the mortality experience showed a substantial improvement over the corresponding experience in 1940."

As a result of the company's investment in Dominion war bonds holdings of Dominion Government and government guaranteed bonds increased $1.1 million to $2.3 millions. In spite of this the rate of interest earned increased slightly, from 4.21% to 4.28%.

	1941 $	1940 $
New insurance	6,411,250	6,301,000
Ins. in force	54,473,360	51,980,718
Total income	2,150,535	2,024,229
Policy payments	1,002,570	1,003,969
Assets	12,244,906	11,714,176
Bonds & debs.	4,673,773	3,971,886
Mortgages	4,231,182	3,905,180
Stocks	567,003	661,582
Policy loans	1,518,102	1,573,529